State of Alaska
FY2009 Governor's Operating Budget

Department of Transportation/Public Facilities
Performance Measures

Contents

Department of Transportation/Public Facilities

Mission

Provide for the movement of people and goods and the delivery of state services.

Core Services

Develop, maintain and operate:

- Highways
- Alaska Marine Highway System
- Airports
- Public Facilities
- Ports and Harbors
- State Equipment Fleet

End Result	Strategies to Achieve End Result
A: Reduce injuries, fatalities and property damage. Target #1: Reduce highway fatality rate by 2% Measure #1: Road related fatalities on state roads per 100 million vehicle miles traveled (fatality rate).	**A1: Build and improve state owned roads and highways to appropriate department standards.** Target #1: Increase to 90% the percentage of national highway system (NHS) routes meeting current department standards. Measure #1: Percent of national highway system (NHS) meeting current department standards. Target #2: Decrease by 5 the number of state-owned bridges that are deficient by FHWA standards (considered structurally deficient or functionally obsolete). Measure #2: Number of bridges that are considered deficient by FHWA standards. **A2: Improve DOT&PF efficiency.** Target #1: Advertise 75% of new highway and aviation construction project funding by April 30th. Measure #1: Percentage of highway and aviation construction funding (determined by engineer's estimate) advertised by a given date. Target #2: Maintain the percentage of administrative and engineering costs below 30% of total project costs. Measure #2: Percent of administrative and engineering cost compared to total project cost.
End Result	**Strategies to Achieve End Result**
B: Carry out safe DOT&PF operations. Target #1: 5% reduction in annual injury rate of department employees. Measure #1: Percent change in annual injury rate per	**B1: Improve employees' awareness of workplace safety requirements.** Target #1: 5% increase in employees successfully completing required safety training.

100 department employees working one year.	Measure #1: Percent change in employees successfully completing required safety training.
End Result	**Strategies to Achieve End Result**
C: Improved mobility of people and goods. Target #1: Improvement in customer satisfaction with department services. Measure #1: Change in customer satisfaction based on survey of customers.	**C1: Build and improve state owned airports to appropriate department standards.** Target #1: Reduce by 10% the number of airports that are closed due to seasonally soft surface or sub-surface material. Measure #1: Percent change in number of airports that are closed seasonally compared to prior year. Target #2: Establish projects and provide funding to construct permanent lighting and runway improvements in two (2) remote communities. Measure #2: Number of airports built or improved to the 24-hour access standard.
End Result	**Strategies to Achieve End Result**
D: Increase State Revenues Target #1: Increase the number of executed leases and permits at statewide rural airports over the prior year by 2%. Measure #1: The number of agreements (leases, permits) issued and executed at the rural airports compared to the prior year.	**D1: Enhance economic activities through the construction of key transportation linkages.** Target #1: Add 3 new resource development roads under design or construction each year. Measure #1: Number of resource development road projects actively being designed or constructed.
End Result	**Strategies to Achieve End Result**
E: Provide the assets and facilities to enable delivery of state services. Target #1: Achieve 80% satisfaction of government sector customers with DOT&PF services. Measure #1: Change in satisfaction based on survey of government sector customers.	**E1: Maintain state transportation assets and facilities to department standards.** Target #1: No increases in deferred maintenance needs. Measure #1: Dollar value of deferred maintenance needs.

Major Activities to Advance Strategies

- Design roads to appropriate standards
- Emphasize traffic control from planning through construction
- Increase preventative maintenance
- Implement additional RWIS camera sites
- Maintain 511 System information and promote its use
- Implement Land Mobile Radio System
- Use more design/build contracts where it will reduce overall project costs.
- Work with federal and state agencies on streamlining permitting and regulatory processes
- Improve work zone safety by improving commuting public's awareness of hazards
- Improve highway safety by designating high accident roadways as safety corridors
- Monitor safety compliance
- Partner with Dept. of Labor, Occupational Safety to audit department programs and identify areas of improvement.
- Design, procure and employ replacement vessels.
- Implement a ticket scanning system for the Alaska Marine Highway System (AMHS)
- Employ separate and secure staging areas of AMHS passenger loading.

Major Activities to Advance Strategies

- Optimize AMHS schedules

FY2009 Resources Allocated to Achieve Results

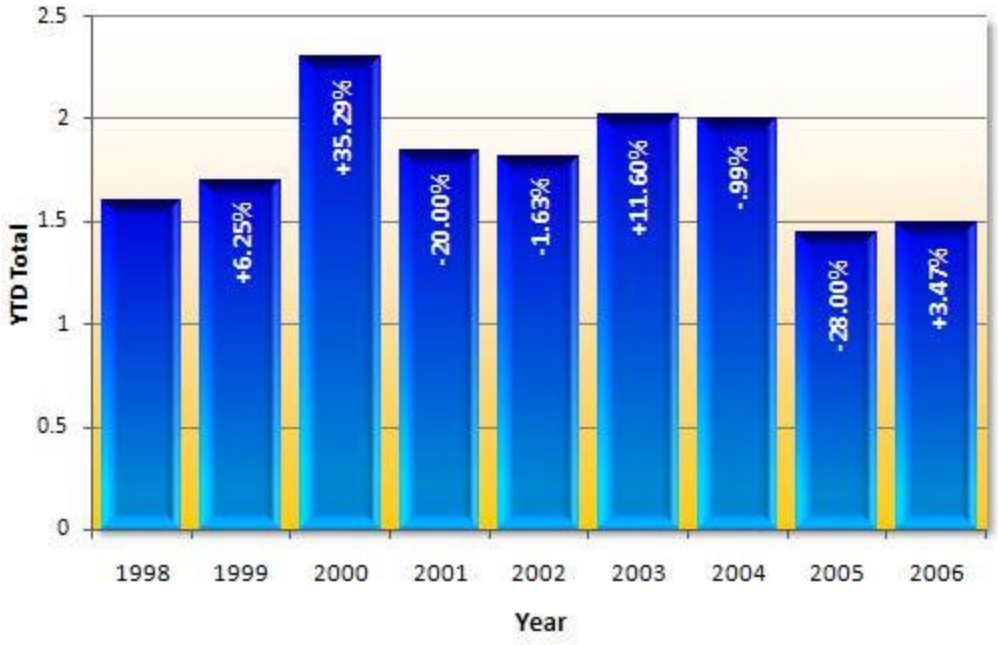
FY2009 Department Budget: $501,646,800

Personnel:	
Full time	3,191
Part time	446
Total	3,637

Performance Measure Detail

A: Result - Reduce injuries, fatalities and property damage.

Target #1: Reduce highway fatality rate by 2%
Measure #1: Road related fatalities on state roads per 100 million vehicle miles traveled (fatality rate).



Analysis of results and challenges: The U.S. national fatality rate increased annually between 1993 and 2004, from 1.45 fatalities per 100 million vehicle miles traveled (VMT) in 1993, to 1.50 fatalities/100 million VMT in 2004, before dropping to 1.47 fatalities per 100 million VMT in 2005. Alaska's rate has fallen from 2.00 fatalities per 100 million VMT in 2004 to 1.49 fatalities per 100 million VMT in 2006.

Alaska typically experiences more accidents in the winter, with long periods of darkness and poor driving conditions. However, there are more severe accidents, including fatalities, in the summertime, where long periods of daylight occur and there is increased driving. Historically, the most frequently cited behavioral contributors to fatal and serious injury crashes in Alaska are impaired driving, unsafe speed, and failure to heed traffic control devices. Crash types resulting in the greatest number of fatalities include run-off-road, head-on, and intersection crashes.

In 2006 there were 74 fatalities and 11,728 crashes. In order to reduce these numbers, the agency approaches the issue through statewide outreach programs, highway safety improvement projects, and federally funded highway safety grant projects. The department is able to propose and support legislative changes through the Governor's Office and provide grant funds for special trooper enforcement activities, but otherwise motor vehicle laws which contribute to reducing the number of serious injury or fatal motor vehicle crashes, and the number of troopers employed to enforce these laws are beyond the control of the program.

A1: Strategy - Build and improve state owned roads and highways to appropriate department standards.

Target #1: Increase to 90% the percentage of national highway system (NHS) routes meeting current department standards.

Measure #1: Percent of national highway system (NHS) meeting current department standards.

Percent of road lane miles that meet standards

Year	YTD
2002	70%
2003	72%
2004	73%
2005	74%

Analysis of results and challenges: There are 1,518 miles (74%) of the NHS that meet national standards and 521 miles (26%) [including much of the Dalton Highway] which do not meet these standards. Significant progress has been made on the Sterling, Seward, Glenn and other major highways in recent years to improve our highway systems for citizens and commerce while adding to safety by converting 2-lane highways to divided highways with interchanges at high-volume locations. Several major bridges have also been upgraded since the last report.

Target #2: Decrease by 5 the number of state-owned bridges that are deficient by FHWA standards (considered structurally deficient or functionally obsolete).

Measure #2: Number of bridges that are considered deficient by FHWA standards.

Number of bridges considered deficient by FHWA standards

Year	YTD
2002	152
2003	161
2004	153
2005	142
2006	151
2007	155

Analysis of results and challenges: A comparison of the 2006 and 2007 deficient bridge lists shows:

- There were 21 structurally deficient bridges on the 2006 list which are not on the 2007 list.
- There were 5 functionally obsolete bridges on the 2006 list which are not on the 2007 list.
- There are 8 structurally deficient bridges on the 2007 list which were not on the 2006 list.
- There are 22 functionally obsolete bridges on the 2007 list which were not on the 2006 list.

It is important to note that the deficient bridge list is dynamic. Structurally deficient bridges are typically removed from the list following rehabilitation or replacement and added to the list due to continued deterioration or damage. Functionally obsolete bridges are typically added to or removed from the list based on changes in average daily traffic and vertical clearance over or under the roadway.

Biennial bridge inspections are necessary to assure the safety of the traveling public. Staff develop repair recommendations, work with Maintenance and Operations (M&O) staff to prioritize bridge repairs, design those repairs, perform load ratings on bridges, attempt to optimize hauling of overloads across bridges; post and close deficient bridges; and recommend financial programming of bridge replacements and repairs.

Structural deficiency does not necessarily imply that a bridge is unsafe. It does, however, mean that a structure is unable to carry the vehicle loads or tolerate the speeds that would normally be expected for that particular bridge in a designated road system. Functional obsolescence means that the bridge has inadequate width or vertical clearance for its associated highway system. In some cases, bridges become functionally obsolete because of highway improvements on the approaches to the bridge, such as lane additions or widening of approaching roads. In other cases, a bridge may be classified as functionally obsolete through a redefinition of desired standards.

A2: Strategy - Improve DOT&PF efficiency.

Target #1: Advertise 75% of new highway and aviation construction project funding by April 30th.
Measure #1: Percentage of highway and aviation construction funding (determined by engineer's estimate) advertised by a given date.

Percent of construction contract funding advertised by April 30th

Year	Central Region	Northern Region	Southeast Region	Department Total	Target
FFY 2005	31%	42%	51%	38%	75%
FFY 2006	47%	56%	27%	42%	75%
FFY 2007	54%	14%	66%	40%	75%

Analysis of results and challenges: Regional project development will be accelerated to meet this target. Once the department has reached this goal, maintaining it will be little different in terms of work production than what is experienced today. The acceleration phase could result in a temporary increase in inflated construction costs due to less competition among already busy contractors.

Issues that have prevented the regions from providing timely contract advertising include difficulties with receiving federal grants and funding, attempting to implement very large, complex projects, and a shortage of staff.

Percentages are calculated by summing the engineer's estimates for all federal and general fund construction projects advertised by the target dates, then dividing that total by the total engineer's estimate amount of construction projects advertised in that federal fiscal year.

Target #2: Maintain the percentage of administrative and engineering costs below 30% of total project costs.
Measure #2: Percent of administrative and engineering cost compared to total project cost.

Percent of administrative and engineering costs to total project costs

Year	Central Region	Northern Region	Southeast Region	Department Total	Target
FFY 2004	21%	26%	23%	22%	30%
FFY 2005	20%	22%	23%	21%	30%
FFY 2006	21%	23%	13%	18%	30%
FFY 2007	22%	24%	26%	24%	30%

Analysis of results and challenges: The aim of this measure is to get more capital dollars into construction or into other related fieldwork by maintaining overhead costs at an acceptable level. This will benefit the private sector and the traveling public. Percentages are calculated by summing up all administrative and engineering costs – i.e., all costs that are not direct construction payments, right-of-way acquisition/relocation payments, or utility relocation payments – and dividing those administrative and engineering costs by the total of all project costs.

B: Result - Carry out safe DOT&PF operations.

Target #1: 5% reduction in annual injury rate of department employees.
Measure #1: Percent change in annual injury rate per 100 department employees working one year.

Number of Work-related Injuries/Injury Rate per 100 Employees

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD	Injury Rate	Injury Rate Change
2004	42	37	38	30	147	4.4	
2005	55	30	26	33	144	4.2	-0.2
2006	65	36	49	53	203	7.7	+3.5
2007	32	39	30	60	161	4.7	-3.0

Analysis of results and challenges: The Department of Transportation and Public Facilities employs an average of 3,200 employees during the year. Employees work in some extremely dangerous areas such as marine, highway and airport maintenance. A department priority is to promote workplace safety. Several new checklists are required to ensure that safety is periodically evaluated in every section.

63 DOT&PF facilities have been inspected for compliance under a partnering agreement with Alaska Occupational Safety and Health (AKOSH). Many potentially hazardous conditions were repaired as a result of these inspections. This is considered a significant element in lowering the amount of injuries within the department.

Safety training has been identified as a proven method of lowering accidents and incidents. The department targeted a number of employees to attend training in an effort to lower the amount of injuries. As a result we saw a 3% drop in the injury rate for 2007.

Department safety officers are continuously evaluating the specifics of the overall program and along with individual supervisors are targeting high incident rates and developing hazard analysis for each assigned job task.

B1: Strategy - Improve employees' awareness of workplace safety requirements.

Target #1: 5% increase in employees successfully completing required safety training.
Measure #1: Percent change in employees successfully completing required safety training.

Percent of DOT&PF employees completing required safety training

Year	YTD	% change
2003	36%	
2004	34.8%	-3.3%
2005	66%	+89.7%
2006	74.3%	+12.6%
2007	87.5%	17.7%

Analysis of results and challenges: Safety training, as identified in the safety manual is being implemented over a 5 year period. As more safety training is provided, there is a reduction in work related injuries and Workers' Compensation claims. The strategy is working. There is a significant drop in Workers' Compensation costs in calendar years 2005 and 2006.

It should also be noted that even though costs went down over the last 2 years, the numbers of reported injuries are holding at about the same. The Safety Task Force is meeting in November of 2007 to discuss additional measures.

The preliminary numbers for 2007 are showing a higher cost for this time of year, due to major incidents involving employees injured by the traveling public. The incidents were investigated by the Department of Labor and found to be no fault of the department.

The Safety Task Force is reviewing the definition of "required" training and is gathering data to track training meetings held and employees who attended. The data shown in the table above for 2003 through 2005 is based on a compilation of Highways and Aviation, Facilities and State Equipment Fleet employees who have attended safety meetings. Data for 2006 and 2007 incorporates more department employees from other divisions including Construction, Design, and Measurement Standards and Commercial Vehicle Enforcement.

C: Result - Improved mobility of people and goods.

Target #1: Improvement in customer satisfaction with department services.
Measure #1: Change in customer satisfaction based on survey of customers.

Customer Satisfaction (very satisfied and somewhat satisfied)

Year	YTD
2005	80.3%
2006	no survey

Analysis of results and challenges: During FY05 the department contracted with a private firm to conduct a survey to find out how DOT&PF does providing transportation services in Alaska, including roads, airports and ferry service. 1,200 people across the state participated in this survey. Even though the department has done very well, resources are being directed to mitigate those problem areas identified in the survey (e.g., congestion relief and rut repair). This measure will continue to gauge the department's success in addressing the survey issues. No department services satisfaction survey was undertaken for 2006; however a survey will be conducted during FY2007.

The following areas within the department provide ongoing customer satisfaction information related to providing road, airport and ferry transportation services: Highways and Aviation, Ted Stevens Anchorage International Airport, Fairbanks International Airport, and the Alaska Marine Highway System.

C1: Strategy - Build and improve state owned airports to appropriate department standards.

Target #1: Reduce by 10% the number of airports that are closed due to seasonally soft surface or sub-surface material.
Measure #1: Percent change in number of airports that are closed seasonally compared to prior year.

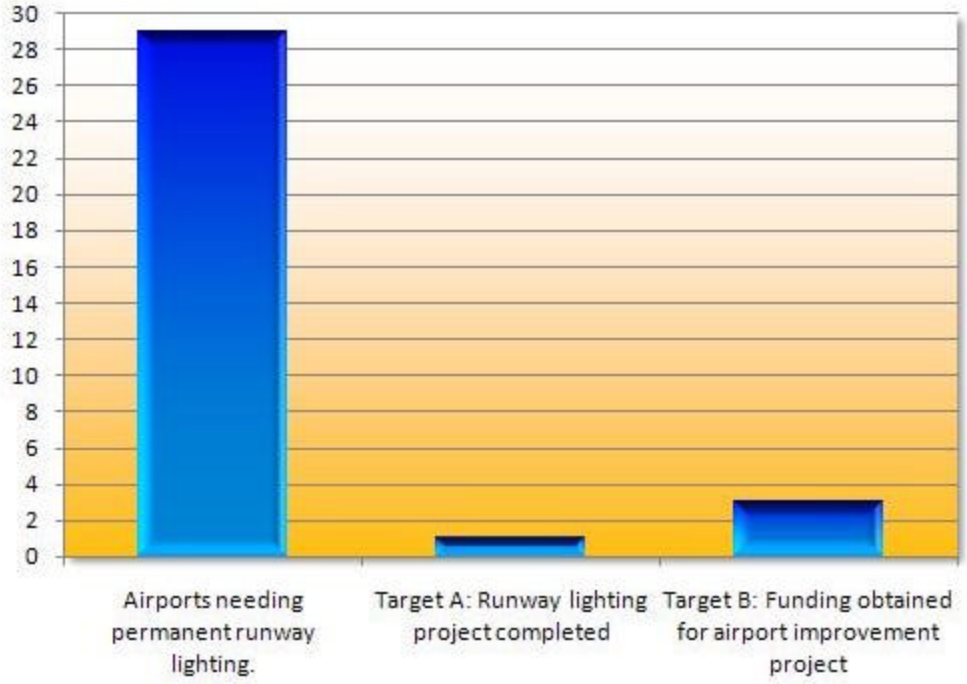
Percent change in number of airports that are closed seasonally.

Year	YTD	% Change
FY 2004	23	
FY 2005	21	9% Reduction
FY 2006	17	19% Reduction
FY 2007	15	12% Reduction

Analysis of results and challenges: At the beginning of FY07 there were 17 airports on the seasonal closure list with a target of improving 10% per year. The target was met with the completion of major improvement projects at King Cove, Tanana and New Stuyahok. Deterioration of previous temporary surface improvements at Golovin resulted in this airport reappearing on the seasonal closure list.

Target #2: Establish projects and provide funding to construct permanent lighting and runway improvements in two (2) remote communities.

Measure #2: Number of airports built or improved to the 24-hour access standard.



Analysis of results and challenges: Not all communities in Alaska have night time access. The department's goal has been to make rural communities accessible for medivac and other emergency aircraft. A concerted effort has been taken to provide permanent lighting, portable runway edge lights or portable helicopter landing zone lighting at 63 rural communities. There are still 29 communities where permanent improvements are feasible and those airports are the focus of this measure. A goal has been set to acquire enough grant funds to construct permanent improvements at two remote communities each year. Additionally, it is expected that at least one airport each year will have runway lighting put into service. The difference between funding and project completion targets is due to the complexity of projects in remote villages. It is not unusual for a project to take two to four years to complete.

The Department has exceeded the funding goal for 2007, obtaining over $44.6 million in Federal Aviation Administration (FAA) grant funds for runway improvements and lighting at Kongiganak (Stage 1 Embankment), Nightmute, and Nunapitchuk. The operational goal was met with the completion of the runway lighting system at King Cove.

D: Result - Increase State Revenues

Target #1: Increase the number of executed leases and permits at statewide rural airports over the prior year by 2%.

Measure #1: The number of agreements (leases, permits) issued and executed at the rural airports compared to the prior year.

Executed leases and increase in revenue generation at rural airports

Year	Executed Agreements	% Change	Revenue	% Change
2005	1,722			
2006	1,725 +0.17%	.17%	3,337	
2007	1,678 -2.72%	-2.7%	3,244 -2.79%	-2.79%

Analysis of results and challenges: Rural economic development is a priority of the administration. Toward that goal, the Statewide Aviation Division has been directed to market vacant airport properties, create a web-based application process, and increase revenues. Leasing staff is directed toward these efforts. A market survey has been performed that will, when implemented, increase rural airport land lease rental rates to fair market and increase user fees in order to help offset maintenance costs of the rural airports.

The department received $2 million in the FY06 capital budget that is being used to develop revenue producing agreements for lease lots at rural airports. These activities include clearing, excavation, gravel fill, renovation of State owned buildings, constructing road access, installing utilities, constructing additional apron space for aircraft tie-downs, and the moving of roads or parking lots. Airports where this development has/is taking place include; Birchwood, Bethel, Deadhorse, Klawock, Willow, Seward, Sitka, and Yakutat. As the legislature approves additional funding more projects will be undertaken to improve lands on rural airports for private and commercial development, thus increasing revenue.

New leases and permits are being issued on airport properties and these are the indicators for construction levels and increase of revenue at the airports. Issuance of rural airport land-use agreements indicates the level of interest in developing or using airport property. It is also an indicator of production achievement by current staffing levels. The amount of anticipated investments is obtained from building permit applications and provides an indicator of the development dollars that may be spent at these airport locations, which, in turn, enhances the local communities.

D1: Strategy - Enhance economic activities through the construction of key transportation linkages.

Target #1: Add 3 new resource development roads under design or construction each year.
Measure #1: Number of resource development road projects actively being designed or constructed.

Number of resource development road projects actively being designed or constructed

Year	YTD
2004	2
2005	3
2006	8
2007	7

Analysis of results and challenges: The Roads to Resources program began in March 2003, after a Resource Transportation Analysis (RTA) conducted for the Northwest Alaska Transportation Plan indicated several promising possibilities for transportation and resource industry partnerships to benefit Alaska's economic development, revenue and employment. DOT&PF has examined: energy and mineral projects in Northern Alaska to see if investment in transportation could accelerate resource development; access resource sites and transport of resources to world markets; and provide traditional overland road and rail routes as well as new transport modes and project-specific port/road models. Projects are developed in conjunction with the Alaska Minerals Commission, the Department of Natural Resources and other impacted agencies to determine which priority projects should be pursued and which have the best return on investment.

Four projects are in the environmental review/design stage:
- Hoonah to Tenakee Inlet Road
- Foothills West
- Bullen Point Road
- Ruby to Poorman Bridge/Road

Three projects are under construction:
- Bostwick Logging Road on Gravina Island
- Birch Creek Erosion Mitigation
- Willow Fishhook Road/Hatcher Pass

Recently completed projects include:

- Shirley Towne Bridge in the Matanuska-Susitna Valley
- Circle Mining District Access Improvements
- Williams Pile Bay Road
- Cascade Point Road
- Klawock Airport Road
- Petersville Road Repairs
- Elliott Highway Washington Creek Bridge
- Tofty Road
- Taylor Creek Bridge Repair
- Steese Highway Improvements
- Willar Cache

E: Result - Provide the assets and facilities to enable delivery of state services.

Target #1: Achieve 80% satisfaction of government sector customers with DOT&PF services.
Measure #1: Change in satisfaction based on survey of government sector customers.

Government sector customer satisfaction

Year	State Equipment Fleet	Facilities
2005	FY2005 96%	CY2005 85%
2006	FY2006 94%	CY2006 83%
2007	FY2007 94%	CY2007 88%

Analysis of results and challenges: The department will periodically conduct surveys of the government sector to identify problem areas within the transportation and facilities systems. The department will then direct resources to mitigate those problem areas identified in the surveys. This measure will gauge the department's success in addressing the survey issues.

Surveys have been conducted of State Equipment Fleet and Facilities users that include government sector customers. Results of those surveys indicated a 94% and 88%, respectively, satisfaction rating for FY/CY07.

E1: Strategy - Maintain state transportation assets and facilities to department standards.

Target #1: No increases in deferred maintenance needs.
Measure #1: Dollar value of deferred maintenance needs.

Dollar value of deferred maintenance needs

Year	YTD
2005	$328.8 million
2006	$361.8 million

Analysis of results and challenges: The department is attempting to keep deferred maintenance needs from increasing. This is being accomplished by directing highway and airport funds to areas of most need through project evaluation and scoring systems, increasing efforts towards on-going preventative maintenance and transferring harbors to local governments. Unfortunately this has become difficult with the increasing age of the State's infrastructure and lack of resources dedicated to maintaining it.

Current deferred maintenance estimated needs are $27 million for harbors, $36 million for marine highway vessels, $55 million for buildings, $25 million for rural airports, and $218.8 million for highways.

Prioritization of Agency Programs

(Statutory Reference AS 37.07.050(a)(13))

Administration and Support Results Delivery Unit

Contribution to Department's Mission

Provide executive leadership, coordination with other governmental agencies, and assurance of program management within legal guidelines.

Core Services

The Department of Transportation and Public Facilities (DOT&PF) is statutorily responsible for the planning, design, construction, maintenance, and operations of transportation facilities and buildings. We strive to achieve a balance between steady planned growth in the intermodal transportation system, which supports economic development and improved quality of life, and the effective management of maintenance and operations for the state's existing investment in transportation and public facilities infrastructure. This RDU contains the highest level of leadership necessary to ensure the department meets its statutory responsibilities.

The Contracting and Appeals Section is responsible for evaluating and resolving all construction related claim and protest appeals. This section also develops, and implements, policies and procedures that assure all DOT&PF regions and executive branch agencies operating under DOT&PF delegation receive responsive and consistent guidance, direction and training in administering all procurements and contracts.

Internal Review is an independent section that reports directly to the Commissioner. Internal Review is an extension of the management function that identifies problems and recommends actions that can correct those problems. It provides a measurement of how well the Department is meeting its statutory requirements and achieving its objectives.

The Office of Equal Employment and Civil Rights is responsible for 3 affirmative action programs Disadvantaged Business Enterprises (DBE), External Equal Employment Opportunity (ExEEO), and On-The-Job training (OJT) which provide opportunities that otherwise would not normally exist within the construction arena. These programs apply to contractors and subcontractors working on US Department of Transportation (USDOT)-assisted projects. It also oversees 2 non-discrimination programs (Title VI of the Civil Rights Act of 1964 & Americans with Disabilities Act of 1990 [ADA]) which ensure equal treatment by the Department with respect to its dealings with the public in all phases of operation.

The Transportation Management and Security Section coordinates operations, including fleet management, highway and aviation maintenance, safety, security, and provides oversight of those areas for department management. The section also coordinates major maintenance projects and determines priority of statewide maintenance projects.

End Result	Strategies to Achieve End Result
A: Elimination and prevention of discrimination based on race, religion, gender, age, marital status, ability or national origin in federally assisted programs. Target #1: Reduce by 5% the number of contractor non-compliance items. Measure #1: The number of occurrences of contractor non-compliance items.	**A1: To promote equal opportunity compliance in employment and contracting with disadvantaged business enterprises in Federal-aid highway contracts.** Target #1: Increase the number of highway construction contractors reviewed for compliance with federal equal opportunity regulations by 15 %. Measure #1: Percentage change of construction contractors reviewed for compliance with federal equal opportunity regulations over previous federal fiscal year. Target #2: Increase the number of on-the- job (OJT) trainees on highway projects by 5% per fiscal year.

	Measure #2: Percentage change in OJT trainees participating in highway projects from previous fiscal year.
End Result	**Strategies to Achieve End Result**
B: Maximize federal design and construction funding and compliance with federal requirements. Target #1: 5% reduction in difference between rates proposed by firms and audited overhead rates for consulting engineering firms and utility companies. Measure #1: Comparison of proposed rates by firms to audited overhead rates for consultants and utility companies.	**B1: Prepare and issue timely audit reports.** Target #1: Reduce by 5% the number of days between start of field work and issuance of all overhead rate audits. Measure #1: Percent change in the number of days between start of audit field work and audit report issuance.

Major Activities to Advance Strategies

- Review of highway construction contractors (external equal employment, disadvantaged business participation, on the job training)
- Communication about EEO requirements to contractors & prospective contractors
- Training and working document assistance to highway contractors, DBE firms
- Engineering consultant pre-award overhead rate audits
- Utility company rate audits
- Concessionaire audits
- Additional training and material support for OJT trainees on highway projects
- Centralization of the State Equipment Fleet to reduce costs
- Implementation of a training and certification program for equipment operators

FY2009 Resources Allocated to Achieve Results

FY2009 Results Delivery Unit Budget: $4,929,800

Personnel:	
Full time	38
Part time	1
Total	39

Performance Measure Detail

A: Result - Elimination and prevention of discrimination based on race, religion, gender, age, marital status, ability or national origin in federally assisted programs.

Target #1: Reduce by 5% the number of contractor non-compliance items.
Measure #1: The number of occurrences of contractor non-compliance items.

Number of occurrences of contractor non-compliance items

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
FY 2004	0	3	1	0	4
FY 2005	0	1	0	2	3
FY 2006	0	0	2	0	2

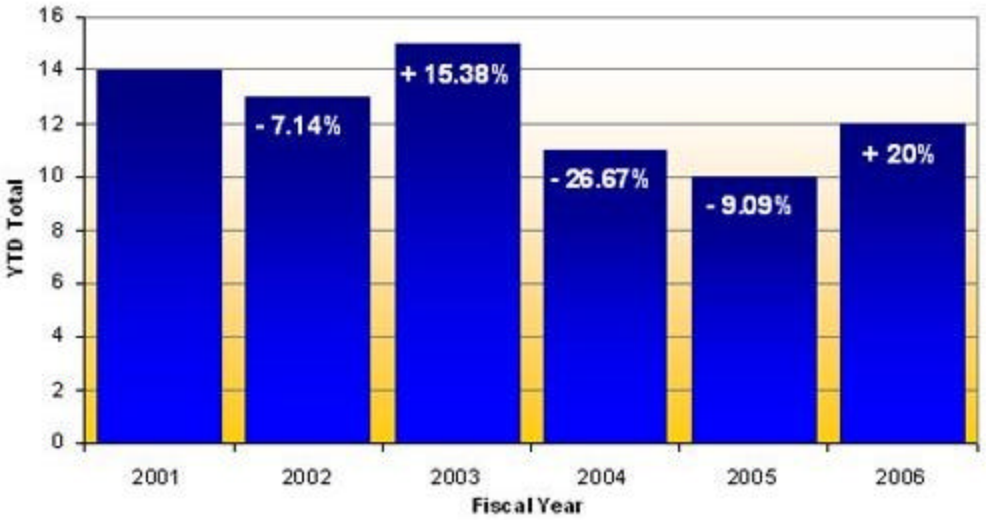
Analysis of results and challenges: To receive federal highway funding assistance, the department must annually assure and provide proof to the Federal Highway Administration (FHWA) that it meets federal equal employment provisions on its highway projects. The department's assurance, and 49 CFR 21, requires the department to administer a highway construction program that is free of discrimination based on race, gender, religion, age, disability, color, or national origin. 23 CFR 200 and 23 CFR 230.111 and .401 through .415 requires the department to regularly review contractors for equal employment, affirmative action and training in their employment practices. Failure to conduct these reviews will result in a finding of noncompliance by FHWA and the loss of federal assistance for highway projects for Alaska. This is a state fiscal year measurement.

A1: Strategy - To promote equal opportunity compliance in employment and contracting with disadvantaged business enterprises in Federal-aid highway contracts.

Target #1: Increase the number of highway construction contractors reviewed for compliance with federal equal opportunity regulations by 15 %.

Measure #1: Percentage change of construction contractors reviewed for compliance with federal equal opportunity regulations over previous federal fiscal year.

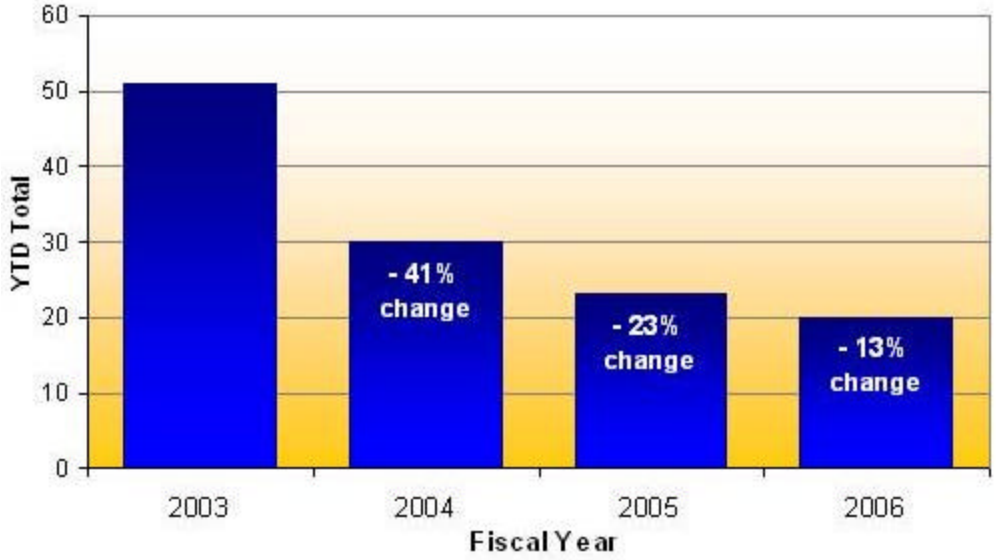
Construction Contractor Compliance Reviews Completed



Analysis of results and challenges: To receive federal highway funding assistance, the department must annually assure and provide proof to the Federal Highway Administration (FHWA) that it meets federal equal employment provisions on its highway projects. The department's assurance, and 49 CFR 21, requires the department to administer a highway construction program that is free of discrimination based on race, gender, religion, age, disability, color, or national origin. 23 CFR 200 and 23 CFR 230.111 and .401 through .415 requires the department to regularly review contractors for equal employment, affirmative action and training in their employment practices. Failure to conduct these reviews will result in a finding of noncompliance by FHWA and the loss of federal assistance for highway projects for Alaska.

Target #2: Increase the number of on-the- job (OJT) trainees on highway projects by 5% per fiscal year.
Measure #2: Percentage change in OJT trainees participating in highway projects from previous fiscal year.

Number of OJT Trainees Participating in Highway Projects



Analysis of results and challenges: To receive federal highway funding assistance, the department must annually assure and provide proof to the Federal Highway Administration (FHWA) that it meets federal equal employment provisions on its highway projects. The department's assurance, and 49 CFR 21, requires the department to administer a highway construction program that is free of discrimination based on race, gender, religion, age, disability, color, or national origin. 23 CFR 200 and 23 CFR 230.111 and .401 through .415 requires the department to regularly review contractors for equal employment, affirmative action and training in their employment practices. Failure to conduct these reviews will result in a finding of noncompliance by FHWA and the loss of federal assistance for highway projects for Alaska. The dwindling construction workforce in Alaska and Nationally, makes it imperative that some type of effort is made to provide incentives to contractors to develop a younger workforce. The OJT program is directed towards women and minorities that are under-represented in the workforce. The OJT program accomplishes both the affirmative action goals as well as the workforce development goals.

At the beginning of each calendar year training goals are set by all three regions for projects. For 2006 we achieved 20 trainees for the year. We began this measure with the idea that between the goals set by our regional staff and the exodus from the construction workforce due to retirements, there would be an increase in trainees. What we are seeing is a reduction, we believe is due to inconsistent goal setting from region to region and the apparent fact that some contractors will not train replacement workforce without a requirement to do so. For fiscal year 2007 we are reviewing the methodologies used by regional staff to set OJT goals to ensure it follows federal guidance and is consistent statewide. We are also reviewing the project expected to be delivered in 2007 – another apparent problem is that our goals are too optimistic and are set on projects that may not be delivered in the year they are set. We expect to see a significant change for fiscal year 2007.

B: Result - Maximize federal design and construction funding and compliance with federal requirements.

Target #1: 5% reduction in difference between rates proposed by firms and audited overhead rates for consulting engineering firms and utility companies.

Measure #1: Comparison of proposed rates by firms to audited overhead rates for consultants and utility companies.

Percentage difference between proposed rates by firms and final audited overhead rates for consultants and utility companies by quarter by fiscal year.

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD	Percent Change
FY 2004	2.5%	9.3%	7.1%	5.6%	5.6%	
FY 2005	8.4%	10.1%	-1.1%	6.7%	7.4%	1.8%
FY 2006	7.0%	9.4%	4.8%	14.7%	8.6%	1.2%

YTD Total represents the annual average.

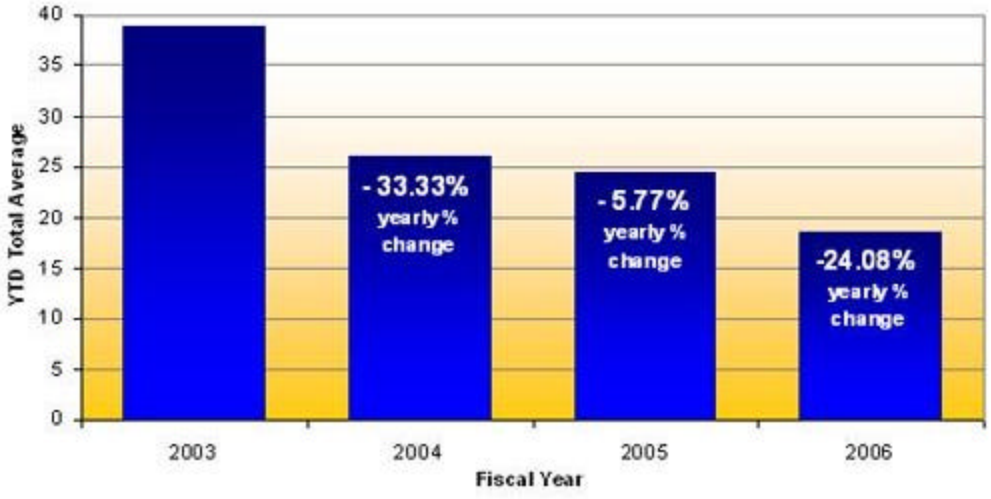
Analysis of results and challenges: Data is beginning to be collected and will be available to track the difference between proposed and audited overhead rates for consultants and utility companies. As the proposed rates become closer to audited rates it is an indication the companies have a better understanding of federal eligibility requirements and have eliminated ineligible costs prior to audit analysis which will assist in reducing the time required to perform audits and insure maximization of federal receipts for design and construction.

B1: Strategy - Prepare and issue timely audit reports.

Target #1: Reduce by 5% the number of days between start of field work and issuance of all overhead rate audits.

Measure #1: Percent change in the number of days between start of audit field work and audit report issuance.

Average days from start of audit fieldwork to issuance of audit report



Analysis of results and challenges: Data is collected to identify the average number of days between the start of audit field work and issuance of audit report. This will allow tracking from year to year. The sooner the audits are completed, the sooner the contracts with audited overhead rates can be put in place or amended with current rate information. The audits are also important as they cover the acceptability of the firms' accounting system and attests that the costs included in their overhead rates comply with all federal requirements. We also spot check charges on ongoing work to ensure billings are accurate and meet federal requirements. During FY2006 Internal Review received 92 requests for overhead rate audits and completed all of them. Average time to conduct an audit has shown a reduction over the prior year and is an indication

that we are becoming more timely in the issuance of audit reports which are used to assist management in setting up timely contracts for performance work by outside firms.

Administrative Services Results Delivery Unit

Contribution to Department's Mission

Provide administrative infrastructure to enable the department to meet its mission.

Core Services

- Centralized services in the areas of budget, finance, procurement, information technology standards and policies, cost allocation plans, collection of federal and other revenue, and web site development and maintenance.
- Development of department-wide policies and procedures.
- Oversight of the Highway Working Capital Fund.
- Liaison between the Department of Transportation & Public Facilities (DOT&PF) and the Department of Administration for financial, personnel, payroll, procurement, web page development, and information technology directives.
- Liaison with the Office of Management and Budget and the Legislature relating to budget issues.
- Essential information technologies supporting the department's mission.
- Procurement of commodities and services for Southeast Region, Alaska Marine Highway System, and Headquarters operations. Conduct commodity procurement activities that are of a statewide nature.

End Result	Strategies to Achieve End Result
A: Increase efficiency of the department. Target #1: Reduce the ratio of administrative overhead to total department costs by 3%. Measure #1: Ratio of total administrative overhead funding as compared to total department costs. Target #2: Increase to 80% the respondents (customers) that rate the quality of the division's service, advice and knowledge transfer at 4 or better on a scale of 1 to 5. Measure #2: Percent of respondents rating service, advice and knowledge transfer at 4 or above on a scale of 1 to 5 in the areas that Administrative Services has purview over: budget, finance/accounting, and information technology, procurement/contracts, web develop	**A1: Improve payment processing to contractors or vendors.** Target #1: Reduce the number of vendor payments that exceed 30 days by 5%. Measure #1: The percentage change in the number of vendor payments that exceed 30 days from invoice date compared to previous year Target #2: Reduce duplicate payments by 10%. Measure #2: Percent change in number of duplicate payments compared to previous year.

Major Activities to Advance Strategies

- " Complete implementation of the new electronic timesheet program and reduction from 60 to 4 DOT&PF timesheets
- Require all new supervisors to attend training.
- " Provide guidance and improve dissemination of information to DOT personnel regarding centralized HR
- " Automate as much of the AMHS dispatch process as possible
- Analyze information technology processes within the department to better serve the agency
- " Implement e-commerce capabilities for procuring commodities
- " Implement a performance measurement status reporting system statewide
- " Develop a user manual and provide training for the Mgmt Reporting System - project status reporting system

FY2009 Resources Allocated to Achieve Results

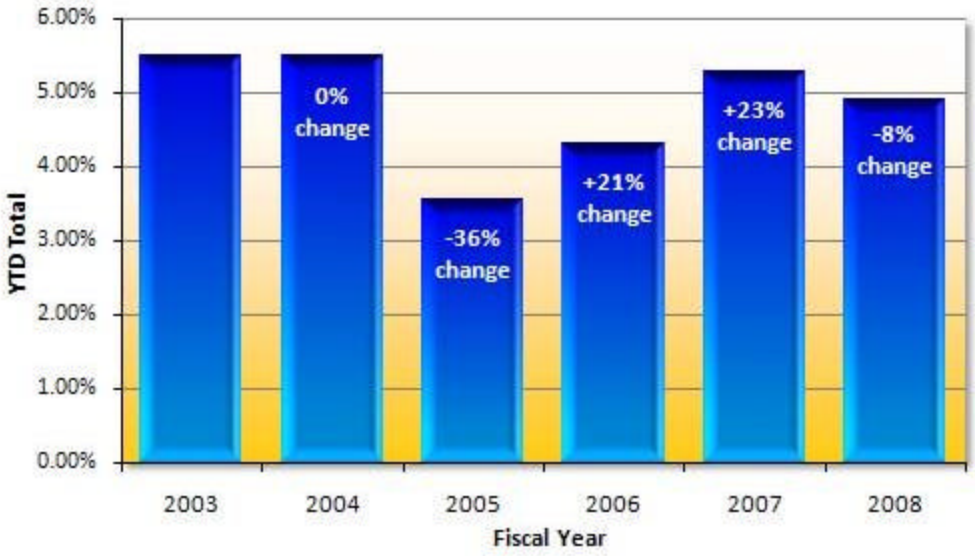
FY2009 Results Delivery Unit Budget: $14,435,800

Personnel:	
Full time	93
Part time	0
Total	93

Performance Measure Detail

A: Result - Increase efficiency of the department.

Target #1: Reduce the ratio of administrative overhead to total department costs by 3%.
Measure #1: Ratio of total administrative overhead funding as compared to total department costs.



Analysis of results and challenges: The department annually prepares an Indirect Cost Allocation Plan (ICAP) according to state and federal guidelines, which is reviewed by internal auditors and approved by the Federal Highway Administration (FHWA). The ICAP develops a rate at which overhead and administrative costs are distributed to projects. These rates are developed by accumulating indirect costs into cost pools, and then dividing the total indirect costs allocated to the pool by total direct project costs. ICAP rates calculated for FY08 vary between 1% for harbor projects to 4.88% for highway projects. The federal highway project rate is used for year to year comparisons. FY08 rates are developed based on FY06 actual expenditure data.

The FY07 rate increased because construction activity decreased in the Federal Highway funded capital project program and employee benefit costs increased. Also, the 2007 plan year was impacted by the conversion of the Statewide Materials cost allocation plan to indirect, which shifted costs from direct to indirect. The 2008 reduced rate reflects a slight increase in the Federal Highway funded capital projects program.

General administrative activities contained in the indirect costs include such functions as payment processing, supervising employees, program oversight, budget development, liaison with the Legislature, etc. These are necessary functions of the department whether DOT&PF has direct oversight of a project or it is contracted. Typically project oversight is charged directly to a project and is not included in indirect costs.

The department will continue to review methods of reducing overhead costs. Developing technological

solutions to cumbersome paper processes and eliminating unnecessary tasks are examples of how overhead costs can be reduced. Such a reduction will increase the amount of federal funds available for road and airport construction.

Target #2: Increase to 80% the respondents (customers) that rate the quality of the division's service, advice and knowledge transfer at 4 or better on a scale of 1 to 5.

Measure #2: Percent of respondents rating service, advice and knowledge transfer at 4 or above on a scale of 1 to 5 in the areas that Administrative Services has purview over: budget, finance/accounting, and information technology, procurement/contracts, web develop

Percent of Satisfied Customers

Year	YTD
FY 2007	not available

Analysis of results and challenges: This measure will require the division to develop and circulate a survey to help determine whether our internal and external customers' expectations are being met in service (quality and response time), advice (explore solution) and knowledge transfer (communication and training). This increased awareness and interaction should lead to improved efficiencies in the areas of budget development and transfer of knowledge, financial reporting and solutions, vendor/customer payment timeliness, information systems interaction and result, procurement/contract advice, web development and management assistance and advice. Survey responses will provide manager's feedback that may identify problem areas, which if addressed may improve the efficiency of the department. We anticipate the survey will be done annually.

A1: Strategy - Improve payment processing to contractors or vendors.

Target #1: Reduce the number of vendor payments that exceed 30 days by 5%.

Measure #1: The percentage change in the number of vendor payments that exceed 30 days from invoice date compared to previous year

The number of vendor payments that exceed 30 days from invoice date

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD	% Change
FY 2004	7,948	7,414	6,873	6,115	28,350	
FY 2005	7,785	9,478	6,740	5,991	29,994	+6%
FY 2006	5,539	6,142	5,740	5,323	22,744	-24%
FY 2007	11,834	8,291	5,455	6,010	31,590	+28%

Analysis of results and challenges: AS 37.05.285 states, "Payment for purchases of goods or services provided a state agency shall be made by a required date that is 30 days after receipt of a proper billing for the amount of the payment due, if a date on which payment is due is not established by contract and if the billing contains or is accompanied by documents required by the contract or purchase order." The fiscal offices processed an average of 12,000 vendor payments per month during FY2007. The complexities of the invoices being processed vary from basic monthly maintenance contracts to construction related progress payments. The ability to make payments on contracts requires appropriate sign-offs by project engineers and managers indicating satisfactory completion of tasks. Additionally, invoices must be approved regarding adequate budgetary authority. Payment delays can be caused by the many hand-offs that occur, receiving approvals, mail time between offices, errors in the invoice, errors in account coding, and inadequate funding levels.

The Alaska Marine Highway System (AMHS) had a significant budget shortfall in the 2006 budget and was unable to pay its vendors. The impact of this shortfall resulted in delayed payments during the first and second quarter of 2007 as AMHS management worked on strategies to meet its obligations.

Target #2: Reduce duplicate payments by 10%.
Measure #2: Percent change in number of duplicate payments compared to previous year.

Duplicate Payments

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD	% change
FY 2005	54	36	54	36	180	
FY 2006	54	41	56	33	184	+2%
FY 2007	46	34	22	30	132	-28%

Analysis of results and challenges: Duplicate payments require a great deal of department resources for monitoring, payment collection, and even legal actions to recover reimbursements. Activities to avoid future duplicate payments include throwing away duplicate copies of invoices when received in the mail, keeping payments current so that vendors don't send duplicate invoices as a method of requesting payment, monitoring erred documents to ensure that payments don't wait for funding, and checking to see if an invoice is already paid before making payment.

Duplicate payments decreased by 28% in 2007. We continue to try to be as error free as possible.

Regional Support Services Results Delivery Unit

Contribution to Department's Mission

Provide a variety of administrative support services for the Department's regional operations.

Core Services

- The Regional Directors' offices provide management oversight of all functions of the organization and act as liaison between divisions and between the department and other agencies and the public.
- The support service offices provide management support and budget coordination to all operating divisions in each region, with additional support provided to headquarters and statewide divisions and the International Airports.
- The procurement offices are responsible for the purchase and delivery of supplies, equipment and services as well as property control.

End Result	Strategies to Achieve End Result
A: Increase cost efficiency of the department. Target #1: Reduce the ratio of administrative overhead to total department costs by 3%. Measure #1: Ratio of total administrative overhead funding as compared to total department costs. Target #2: Increase to 80% the respondents (customers) that rate the section's service at 4 or above on a scale of 1 to 5. Measure #2: Percent of respondents (customers) rating the section's service at 4 or above on a scale of 1 to 5 in the areas that Support Services has purview over: budget, procurement, etc.	**A1: Improve procurement processing.** Target #1: Reduce procurement processing time by 10%. Measure #1: Percent change in time from receipt of request to issuance of order compared to prior year. Target #2: No major procurement violations. Measure #2: The number of procurement violations compared to prior year.

Major Activities to Advance Strategies

- Expand use of credit card purchases to reduce the number of small procurement requests.
- Analyze activities to determine if there is a better way of doing business.
- Create on-line stock requests and better define the item or service requested on the stock request.

FY2009 Resources Allocated to Achieve Results

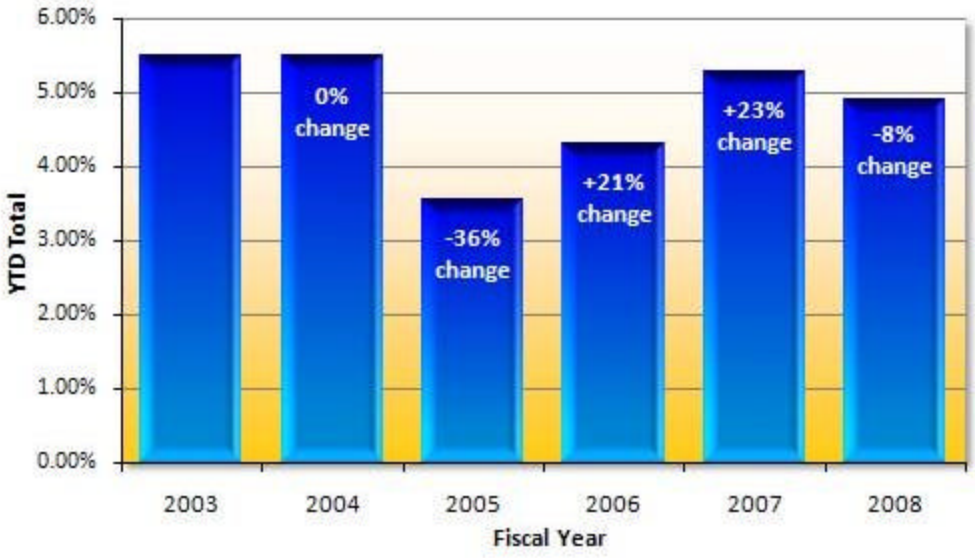
FY2009 Results Delivery Unit Budget: $3,182,300

Personnel:	
Full time	35
Part time	3
Total	38

Performance Measure Detail

A: Result - Increase cost efficiency of the department.

Target #1: Reduce the ratio of administrative overhead to total department costs by 3%.
Measure #1: Ratio of total administrative overhead funding as compared to total department costs.



Analysis of results and challenges: The department annually prepares an Indirect Cost Allocation Plan (ICAP) according to state and federal guidelines, which is reviewed by internal auditors and approved by the Federal Highway Administration (FHWA). The ICAP develops a rate at which overhead and administrative costs are distributed to projects. These rates are developed by accumulating indirect costs into cost pools, and then dividing the total indirect costs allocated to the pool by total direct project costs. ICAP rates calculated for FY08 vary between 1% for harbor projects to 4.88% for highway projects. The federal highway project rate is used for year to year comparisons. FY08 rates are developed based on FY06 actual expenditure data.

The FY07 rate increased because construction activity decreased in the Federal Highway funded capital project program and employee benefit costs increased. Also, the 2007 plan year was impacted by the conversion of the Statewide Materials cost allocation plan to indirect, which shifted costs from direct to indirect. The 2008 reduced rate reflects a slight increase in the Federal Highway funded capital projects program.

General administrative activities contained in the indirect costs include such functions as payment processing, supervising employees, program oversight, budget development, liaison with the Legislature, etc. These are necessary functions of the department whether DOT&PF has direct oversight of a project or it is contracted. Typically project oversight is charged directly to a project and is not included in indirect costs.

The department will continue to review methods of reducing overhead costs. Developing technological solutions to cumbersome paper processes and eliminating unnecessary tasks are examples of how overhead costs can be reduced. Such a reduction will increase the amount of federal funds available for road and airport construction.

Target #2: Increase to 80% the respondents (customers) that rate the section's service at 4 or above on a scale of 1 to 5.
Measure #2: Percent of respondents (customers) rating the section's service at 4 or above on a scale of 1 to 5 in the areas that Support Services has purview over: budget, procurement, etc.

Customer Satisfaction Rating

Year	YTD
2007	not available

Analysis of results and challenges: This measure will require the division to develop and circulate a survey to help determine whether our internal customers' expectations are being met in the areas of procurement, budget development and monitoring. Survey responses will provide managers feedback that may identify problem areas, which if addressed may improve the efficiency of the department. We anticipate the survey will be done annually.

A1: Strategy - Improve procurement processing.

Target #1: Reduce procurement processing time by 10%.
Measure #1: Percent change in time from receipt of request to issuance of order compared to prior year.

Average Days Taken to Process Purchase Requests

Year	Central Region	Northern Region	Southeast Region	Department-wide
FY 2002	not available	not available	not available	6.1
FY 2003	not available	not available	not available	9.8
FY 2004	4.5	3.7	4.5	4.25
FY 2005	4.0	3.6	4.8	not available
FY 2006	4.0	3.8	5.0	not available
FY 2007	0.51	1.82	1.25	1.29

Results are reported on a state fiscal year basis.
FY2006 Southeast Region data identifies only Pilot Program procurements processed through the contractor ASCI.
FY2007 results were calculated using only data since the transition to BuySpeed Online.

Analysis of results and challenges: The 2007 changes appear to be a direct result of the installation of a web based e-procurement system in all 3 regions of DOT/PF. The e-procurement system is called BuySpeed Online. Requisitions are now submitted electronically which allows procurement staff the ability to respond many times faster to completed and approved Requisitions. As such, it may now be appropriate to measure procurement response time in hours instead of days

The amount of time it takes procurement to process a procurement varies due to the complexity associated with the dollar limits of various procurements. Generally the majority of procurements fall in the range of $5,000 or less requiring Reasonable and Adequate competition. This area accounts for the greatest decrease in time to process.

"Reasonable and adequate" competition is required for each expenditure valued at $5,000 or less and involves contacting only one potential vendor in appropriate circumstances. At least 3 verbal quotations or proposals are required between $5,000 and $25,000; but are often required to be submitted in writing for purposes of clarity and conformance to specifications or scope of services. The Request for Quotation (RFQ) process or Informal Request for Proposals (IRFP) is required for expenditures valued at $25,000 to $50,000 and also requires issuance of the State's Standard Terms and Conditions or General Provisions and written responses from vendors. The formal Invitation to Bid (ITB) or Request for Proposals (RFP) process is required at $50,000 and above, which involves formulating specifications, advertising on the Online Public Notice (OPN), allowing 21 days for solicitation, receiving sealed bids or proposals and providing a ten-day protest period prior to award of a contract.

Construction related procurement processes are more complex and require additional time for processing. Most construction procurements are federally funded which require staff to be knowledgeable of federal

regulations.

The BuySpeed purchasing and inventory web based procurement software was implemented statewide in February 2007 to produce greater efficiencies in the contracting, procurement and warehouse environments in the Southeast, Central and Northern Regions. Further efficiencies will be obtained by increasing the number of Stock Requests that are submitted and approved online, monitoring problem orders, and addressing individual issues timely.

Target #2: No major procurement violations.
Measure #2: The number of procurement violations compared to prior year.

Number of Procurement Violations

Year	YTD violations	Change from prior year
2002	4	not available
2003	3	-1
2004	0	-3
2005	0	0
2006	1	+1
2007	0	-1

Analysis of results and challenges: When potential violations are identified, the department investigates and reports them to the Department of Administration, Division of General Services. Recommendations on necessary action to resolve the issue are also provided. Efforts to avoid future violations will include increased emphasis on training procurement and non-procurement staff on state purchasing requirements, and to assure quick distribution of new or revised procurement directives. Concentration on staff training encourages professionalism and accountability, and assures competent individuals are conducting all procurement activities.When potential violations are identified, the department investigates and reports them to the Department of Administration, Division of General Services. Recommendations on necessary action to resolve the issues are also provided. Efforts to avoid future violations will include increased emphasis on training procurement and non-procurement staff on state purchasing requirements, and to assure quick distribution of new or revised procurement directives. Concentration on staff training encourages professionalism and accountability, and assures competent individuals are conducting all procurement activities.

Aviation Results Delivery Unit

Contribution to Department's Mission

Provide airport infrastructure for the movement of people and goods and provide relevant and reliable financial information to the international airport system.

Core Services

- Airport Improvement Program (AIP) Five-Year Funding Plan development and coordination.
- Rural airport planning, design, construction and operation coordination, as well as technical assistance.
- Conduct Federal Aviation Administration (FAA) Airport Inspections (5010 database maintenance).
- Ensure appropriate accounting and financial policies and procedures at the international airports.
- Provide uniform fee structures for use of airport facilities and services.
- Provide leasing services for use of land and buildings at rural airports.
- Development and management of the State Aviation System Plan.

End Result	Strategies to Achieve End Result
A: Increase revenue generation at statewide rural airports. Target #1: Increase the number of executed leases and permits at statewide rural airports over the prior year by 2%. Measure #1: The number of agreements (leases, permits) issued and executed at the rural airports compared to the prior year.	**A1: Process rural airport land-use applications more expeditiously.** Target #1: Reduce the number of days to process land use applications. Measure #1: Number of days to process land use permits compared to the prior year.

Major Activities to Advance Strategies

- Analyze below-standards inventory.
- Analyze APEB scoring for below-standard criteria.
- Meet regularly with FAA Airports Division.
- Analyze snow removal equipment.
- Develop or update web site to provide user-friendly access to airport information.
- Analyze APEB scoring for SRE & buildings.
- Inventory lease lots.
- Leasing officers e-mail aviation businesses about available aviation properties.
- System inventory.
- System Plan outreach and identification of issues by users.

FY2009 Resources Allocated to Achieve Results

FY2009 Results Delivery Unit Budget: $3,182,000

Personnel:	
Full time	24
Part time	0
Total	24

Performance Measure Detail

A: Result - Increase revenue generation at statewide rural airports.

Target #1: Increase the number of executed leases and permits at statewide rural airports over the prior year by 2%.

Measure #1: The number of agreements (leases, permits) issued and executed at the rural airports compared to the prior year.

Executed leases and increase in revenue generation at rural airports

Year	Executed Agreements	% Change	Revenue	% Change
2005	1,722			
2006	1,725	.17%	3,337	
2007	1,678	-2.7%	3,244	-2.79%

Analysis of results and challenges: Rural economic development is a priority of the administration. Toward that goal, the Statewide Aviation Division has been directed to market vacant airport properties, create a web-based application process, and increase revenues. Leasing staff is directed toward these efforts. A market survey has been performed that will, when implemented, increase rural airport land lease rental rates to fair market and increase user fees in order to help offset maintenance costs of the rural airports.

The department received $2 million in the FY06 capital budget that is being used to develop revenue producing agreements for lease lots at rural airports. These activities include clearing, excavation, gravel fill, renovation of State owned buildings, constructing road access, installing utilities, constructing additional apron space for aircraft tie-downs, and the moving of roads or parking lots. Airports where this development has/is taking place include; Birchwood, Bethel, Deadhorse, Klawock, Willow, Seward, Sitka, and Yakutat. As the legislature approves additional funding more projects will be undertaken to improve lands on rural airports for private and commercial development, thus increasing revenue.

New leases and permits are being issued on airport properties and these are the indicators for construction levels and increase of revenue at the airports. Issuance of rural airport land-use agreements indicates the level of interest in developing or using airport property. It is also an indicator of production achievement by current staffing levels. The amount of anticipated investments is obtained from building permit applications and provides an indicator of the development dollars that may be spent at these airport locations, which, in turn, enhances the local communities.

A1: Strategy - Process rural airport land-use applications more expeditiously.

Target #1: Reduce the number of days to process land use applications.

Measure #1: Number of days to process land use permits compared to the prior year.

Average Days to Process Land-use Applications

Year	YTD
2005	115
2006	141
2007	131

Analysis of results and challenges: Currently, the department has initiated an on-line application program where the general public can apply for a lease or permit for use of land on a rural airport. Currently, approximately 60% of all land use applications are received through the mail. Inputting mailed applications into the on-line system is very time consuming. We are in the process of streamlining and automating the application process. Once the internet on-line system is fully operational and the public becomes more familiar with the process it is anticipated that eventually more applications will be received on-line than through the mail. This process is expected to reduce substantially the amount of time required to process applications.

Planning Results Delivery Unit

Contribution to Department's Mission

Optimize state investment in transportation and meet federal requirements through effective planning and programming.

Core Services

- Develop statewide and area transportation plans to guide transportation infrastructure development over the next 20 years and fulfill federal and state requirements.
- Coordinate the development, submission, and monitoring of the Needs List (a statewide list of transportation needs), and the federally required Statewide Transportation Improvement program, as well as the annual capital budget. Provide key analyses to the Commissioner on critical issues regarding capital funding for Alaska's transportation and public facility needs.
- Provide federally required highway data collection and analysis to state, federal and local agencies.
- Provide Geographic Information System (GIS) and Global Positioning System (GPS) data collection and analysis, as well as cartographic and other technical services. The result will be more accessible transportation data that can be displayed and analyzed in easy-to-understand ways.
- Develop and maintain the Statewide Transportation Plan and Public Involvement Plan.
- Provide administration of Scenic Byways Program, Safe Routes to Schools, Federal Transit Program and Federal Railroad Administration grants.
- Provide administration of the Alaska Highway Safety Office, and related funding from the National Highway Safety Administration.
- Provide administration of Urban Planning and State Planning Programs, as well as general accounting and administrative support.
- Develop and administer the Strategic Highway Safety Plan.
- Administer planning for resource and community access roads program.
- Develop and maintain the department’s financial interaction with the Denali Commission Program transportation program.
- Oversee the web and phone 511 Highway Information System and Road Weather Information System.
- Develop electronic means of tracking performance measures for the programs administered by the division.

End Result	Strategies to Achieve End Result
A: Access optimal federal funds for highway construction projects. Target #1: A federally reviewed Statewide Transportation Improvement Plan (STIP) not less than 30 days prior to the federal fiscal year. (Sept. 1). Measure #1: Number of days difference between the target date and STIP transmittal for federal approval. Target #2: Adopt an updated Statewide Long-range Transportation Plan, compliant with the new federal-aid highway authorization law, SAFETEA-LU, by July 1, 2007 and every five years thereafter. Measure #2: Number of days difference between the target date and adoption of the plan by the Commissioner.	**A1: Streamline and improve federal-aid funding process.** Target #1: Decrease time needed to process federal-aid agreements and modifications by 10%. Measure #1: The percent change in time between the date that a funding request is logged into the Management Reporting System to the date it is sent to the Federal Highway Administration (FHWA) for approval.

End Result	Strategies to Achieve End Result
B: Achieve measurable improvement in highway safety. Target #1: A reduction in the number of fatal and major injury accidents of 1% per year over 5 years. Measure #1: Number of persons with fatal injuries and major injuries accidents using a 3 year average.	**B1: Increase the public's awareness of safe driving habits.** Target #1: Improve voluntary seatbelt use by at least 4% as compared to the 5-year average. Measure #1: Percent change in voluntary seatbelt usage as measured by the annual Alaska seatbelt use survey funded by NHTSA each year. **B2: Emphasize safety in transportation decision making.** Target #1: A federally reviewed Strategic Highway Safety Plan. Measure #1: Undertake, prepare and complete a strategic highway safety plan, which follows AASHTO guidelines, within three federal fiscal years.

Major Activities to Advance Strategies

- Target behavior issues: high-risk youth and young drivers, areas of traffic congestion, seatbelt use, aggressive driving, etc.
- Evaluate any lapses of federal funds, and identify the cause. Compare as a percentage of all funds that are administered by the division.
- Create electronic tracking tools to enable a community to follow the history of each project through the STIP process.
- Create an overall communication strategy and related tools to enable faster and more thorough communications of changes occurring in the STIP.
- Provide design/build contract for HAR (highway advisory radio) and VMS (variable message signs) to enhance driver awareness of critical conditions.
- Ensure public awareness of the travel information system to ensure drivers are advised of changing highway conditions.

FY2009 Resources Allocated to Achieve Results

FY2009 Results Delivery Unit Budget: $8,055,000

Personnel:	
Full time	78
Part time	1
Total	79

Performance Measure Detail

A: Result - Access optimal federal funds for highway construction projects.

Target #1: A federally reviewed Statewide Transportation Improvement Plan (STIP) not less than 30 days prior to the federal fiscal year. (Sept. 1).

Measure #1: Number of days difference between the target date and STIP transmittal for federal approval.

STIP Review Timetable: Plan versus Actual

Year	Target Date	Actual Date	Deviation from Target
2004	Sept 1, 2003	Nov 1, 2003	61 days late
2006	Sept 1, 2005	Jan 23, 2006	114 days late
2008	Sept 1, 2007	June 27, 2007	34 days early
2009	Sept 1, 2008		

Analysis of results and challenges: An approved Statewide Transportation Improvement Plan (STIP) is essential if the state is to have access to federal funds once each federal fiscal year begins. Each STIP has a four year valid life. The target of having the STIP ready for federal review at least 30 days prior to the federal fiscal year beginning provides a cushion to deal with the time necessary for two federal agencies to conduct their reviews and issue letters of approval.

The above goal also ensures the division and regional staff are progressing in the many steps it takes to deliver the STIP. Efforts continue to shave time on the STIP development cycle, a process which has grown unwieldy in recent years.

In August, 2005, Congress passed SAFETEA-LU ("Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users"). Program funds for routine capital needs have decreased significantly in favor of over $1 billion in earmarked projects, and this fact has been a major challenge for the division and the department—ramping down the regular program while ramping up for all of the earmark projects. In addition, the requirements for planning and public process in the new law have increased dramatically. Faced with additional requirements for involving the public and finer definitions of when STIP amendments are required, we will be spending more time asking for federal approval prior to implementing the STIP and funding projects.

Target #2: Adopt an updated Statewide Long-range Transportation Plan, compliant with the new federal-aid highway authorization law, SAFETEA-LU, by July 1, 2007 and every five years thereafter.

Measure #2: Number of days difference between the target date and adoption of the plan by the Commissioner.

Adoption of Statewide Long-Range Transportation Plan

Year	Goal	Target Date	Actual Date	Deviation from Target
2007	Commissioner Approval	July 1, 2007	Est. Jan 15, 2008	6.5 months

Analysis of results and challenges: The federal highway re-authorization law was passed in August 2005 which made sweeping changes to planning processes, apparently to streamline them. However, guidance and proposed regulations issued by Federal Transit Administration (FTA) and Federal Highway Administration (FHWA) are more stringent, complicating the process with more federal requirements and steps. On February 14, 2007 the federal regulations that govern the planning steps required to use federal highway funds were issued. The July 1, 2007 due date for updating the plan became impractical since the release of the relevant rules left only 4.5 months. Efforts are being taken to accelerate the plan for an expected completion in mid-January of 2008.

SAFETEA-LU ("Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users")

A1: Strategy - Streamline and improve federal-aid funding process.

Target #1: Decrease time needed to process federal-aid agreements and modifications by 10%.
Measure #1: The percent change in time between the date that a funding request is logged into the Management Reporting System to the date it is sent to the Federal Highway Administration (FHWA) for approval.

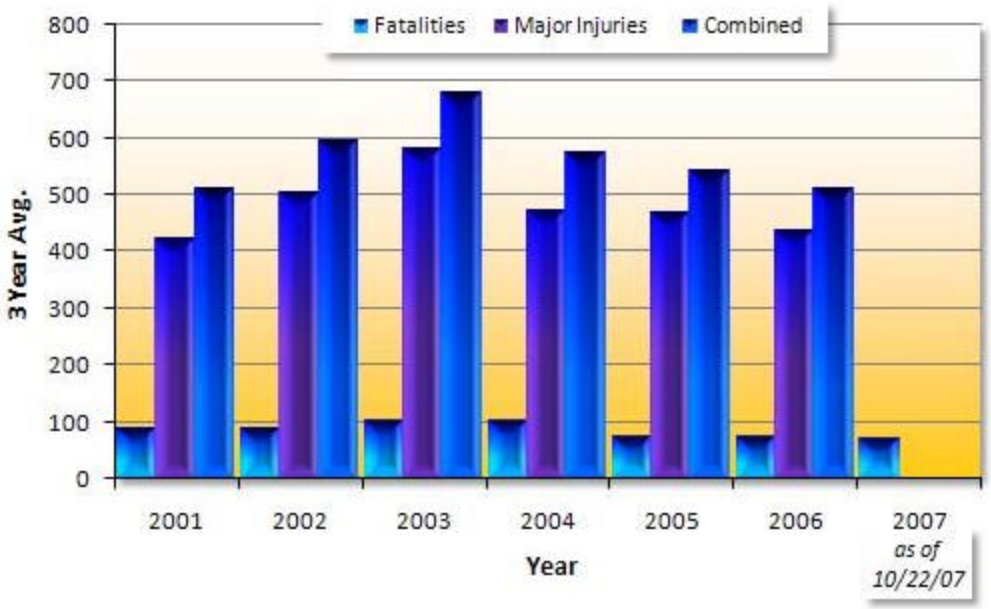
Days to process federal highway project funding requests

Year	YTD	% change from prior year
FFY 2001	5.5	
FFY 2002	5.2	-5%
FFY 2003	8.2	+56%
FFY 2004	9.2	+13%
FFY 2005	8.5	-8%
FFY 2006	9.2	+9%
FFY 2007	10.9	18.5%
FFY 2008	Target 8.3	0

Analysis of results and challenges: SAFETEA-LU ("Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users"), the federal-aid surface transportation authorization created a new set of problems for funding projects. First, flexible formula funding decreased, causing much tighter controls on cost increases to existing projects. Regions were required to offset cost increases with like decreases in other projects. Second, earmarks increased from $68 million over the life of the previous authorization to over $1 billion in SAFETEA-LU. Many of these earmarks have their own challenges—who is the sponsor, what are the particular program requirements, are the funds to be transferred to another federal agency. These issues have added to the average processing time for projects.

B: Result - Achieve measurable improvement in highway safety.

Target #1: A reduction in the number of fatal and major injury accidents of 1% per year over 5 years.
Measure #1: Number of persons with fatal injuries and major injuries accidents using a 3 year average.



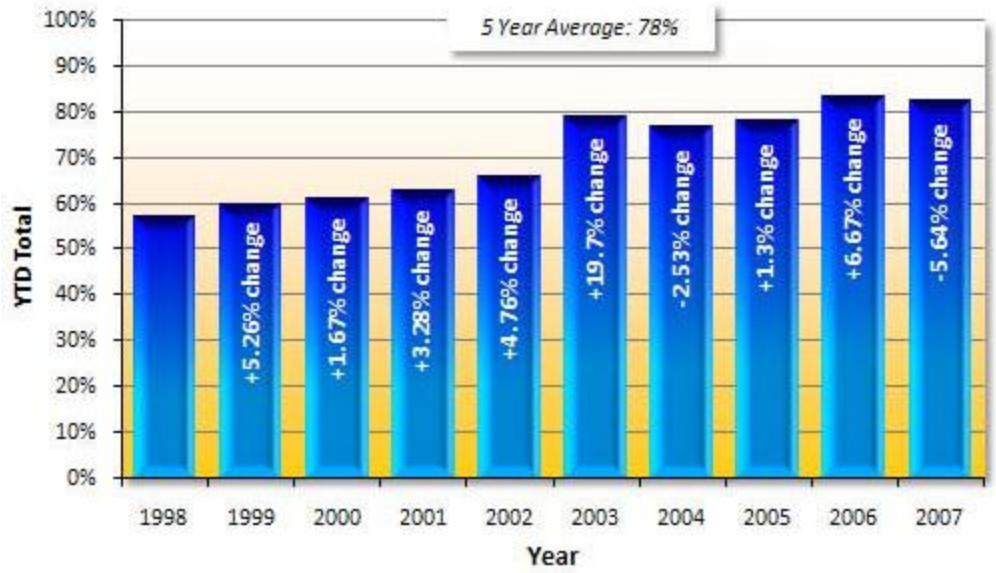
Analysis of results and challenges: Fatal and major injury accidents are extremely costly to the individuals involved, and society as a whole. Medical costs, lost productivity and the emotional loss are extensive. Society also incurs costs in the form of accident response, public contribution to medical costs and rehabilitation, and even the cost of congestion due to accidents on busy highways. The National Highway

Safety Administration estimates the total costs of accidents in Alaska as more than $500 million annually; the majority of these costs are the result of accidents involving major injuries and fatalities.

A major injury accident is one in which the most serious injury is incapacitating, including amputation, concussion, internal injury, severe bleeding, moderate or severe burns, a fracture or dislocation.

B1: Strategy - Increase the public's awareness of safe driving habits.

Target #1: Improve voluntary seatbelt use by at least 4% as compared to the 5-year average.
Measure #1: Percent change in voluntary seatbelt usage as measured by the annual Alaska seatbelt use survey funded by NHTSA each year.



Analysis of results and challenges: The Alaska Highway Safety Office is required by federal rules to perform a standardized statewide occupant protection survey each year in order to measure the agency's progress toward eliminating motor vehicle injuries and fatalities.

The Alaska Highway Safety Office strives to prevent the loss of life, personal injury, and property damage caused by traffic crashes, and to reduce the resulting economic losses to the residents of Alaska through outreach programs and federally funded highway safety grant projects.

The agency coordinates highway safety programming focused on public education, enforcement, promotion of new safety technology, integration of public health strategies, collaboration with safety and private sector organizations, and cooperation with state and local governments.

B2: Strategy - Emphasize safety in transportation decision making.

Target #1: A federally reviewed Strategic Highway Safety Plan.
Measure #1: Undertake, prepare and complete a strategic highway safety plan, which follows AASHTO guidelines, within three federal fiscal years.

Timeline to Complete Strategic Highway Safety Plan

Year	Target Date	Actual Date
FY 2007	June 2007	September 2007

Analysis of results and challenges: The US Department of Transportation, through several agencies (FHWA, National Highway Traffic Safety Administration, Federal Motor Carrier Safety Administration) is requiring each state highway agency to develop a strategic highway safety plan that follows 22 emphasis areas. Such plans are cross-agency in nature, addressing opportunities to positively influence safety through

enforcement, engineering, driver behavior, enforcement of driving laws and other strategies. The Division of Program Development will spearhead this effort, but it will eventually involve participation from a wide variety of other internal and external components that also contribute to highway safety.

The plan was completed and approved by the Federal Highway Administration as of September 2007. This met the legal deadline and ensured Alaska DOT&PF will receive approximately $9 million in both 2008 and 2009 to help with safety projects.

RDU/Component: Measurement Standards & Commercial Vehicle Enforcement

(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)

Contribution to Department's Mission

Enhance the safety of the motoring public, protect public infrastructure, and assure market place confidence and equitable trade.

Core Services

- Oversize/overweight commercial motor vehicle (CMV) permits - issues oversize/overweight permits. A permit specifies the routes and conditions under which vehicles or loads that exceed legal dimensions and weight limitations set by statute and regulation may move on the state highway system. Danger and inconvenience to the traveling public are minimized and potential damage to the highway structures and bridges is reduced.
- Commercial Vehicle Enforcement – Measurement Standards and Commercial Vehicle Enforcement (MS&CVE) operates seven-fixed, functional weigh stations at key locations across the state, performs roadside inspections using mobile inspection teams, and has patrol units performing traffic stops on unsafe operators. Commercial Vehicle Enforcement Officers weigh and inspect commercial vehicles to ensure that companies, drivers, and vehicles meet federal and state operating safety standards and regulations for size, weight, safety, permit and hazardous materials transport. In addition, vehicle inspections are performed at CMV crashes.
- Intelligent Transportation Systems/Commercial Vehicle Operations - ITS/CVO, Freight Mobility, develop, deploy and operate Intelligent Transportation Systems to facilitate greater mobility and efficiencies in commercial vehicle operations. The Freight Coordinator uses a Freight Analysis Framework to plan for a coordinated multimodal freight system within the State of Alaska.
- Commercial motor vehicle outreach - provide safety and hazardous material transport training and coordination of secondary size, weight and safety enforcement activities with other state and local enforcement agencies.
- Measurement Standards Testing - test prepackaged commodities labeled by weight or volume at retail and wholesale locations, ensuring the accuracy of net content weights. Inspect, test, and certify commercial meters, retail scanning systems, and commercial scales including retail, medium, large, fishing, and vehicle scales.
- Measurement Standards Metrology Laboratory - provides calibration and certification for the standards used by Weights and Measures Inspectors, other government agencies and industry. This includes mass standards to 1,000 pounds, volumetric provers to 1,000 gallons, speed detection devices, and portable weight enforcement scales. All certified equipment is traceable to the state standards.

End Result	Strategies to Achieve End Result
A: Reduce fatalities and injuries from crashes involving commercial motor vehicles (CMV). Target #1: Reduce commercial motor vehicle fatalities to below 5 year average. Measure #1: Number of fatalities in large truck crashes compared to the average for the past 5 years.	**A1: Increase the safety of commercial motor vehicles.** Target #1: Reduce the commercial motor vehicle out of service rate by 1% as compared to the average for the past five years. Measure #1: Percent of commercial motor vehicle out of service rate compared the average of the past five years. Target #2: 100% of new entrant carriers to receive a safety audit within 18 months of U.S. DOT registration. Measure #2: Percent of new entrant safety audits received within 18 months of U.S. DOT registration.
End Result	**Strategies to Achieve End Result**
B: Protect and preserve highway infrastructure.	**B1: Reduce number of illegal oversize/overweight**

Target #1: 98% commercial motor vehicle weight compliance at fixed and mobile inspection sites. Measure #1: Percent of inspected commercial motor vehicles that are weight compliant.	**CMV's on highways.** Target #1: Increase the number of roadside (mobile enforcement) commercial truck inspections by 5% over the previous year. Measure #1: Percent change in mobile enforcement truck inspections over the previous year.
End Result	**Strategies to Achieve End Result**
C: Assure and maintain market place confidence and equitable trade Target #1: Increase scale, meter and scanner compliance rate by 1%. Measure #1: Percent change in weighing and measuring device compliance rate compared to the previous year.	**C1: Provide efficient inspection program.** Target #1: Increase the number of scale, meter and scanner inspections by 1% compared to previous year. Measure #1: Percent change of scale, meter and scanner inspections compared to previous year.

FY2009 Resources Allocated to Achieve Results

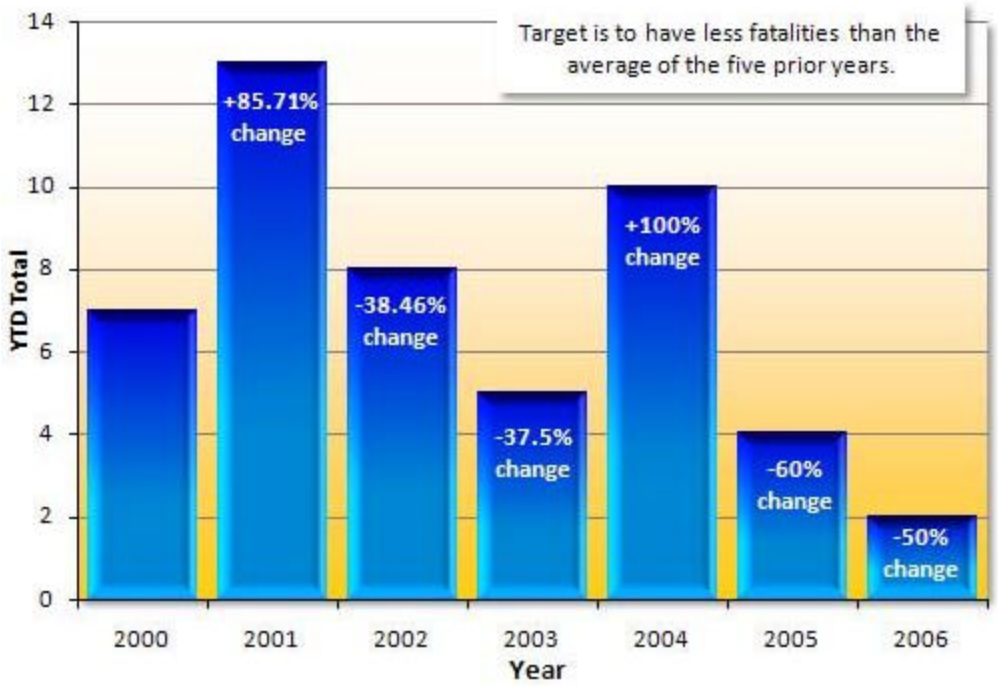
FY2009 Component Budget: $6,114,200

Personnel:	
Full time	71
Part time	0
Total	71

Performance Measure Detail

A: Result - Reduce fatalities and injuries from crashes involving commercial motor vehicles (CMV).

Target #1: Reduce commercial motor vehicle fatalities to below 5 year average.
Measure #1: Number of fatalities in large truck crashes compared to the average for the past 5 years.



Analysis of results and challenges: Data is reported on a calendar year basis.

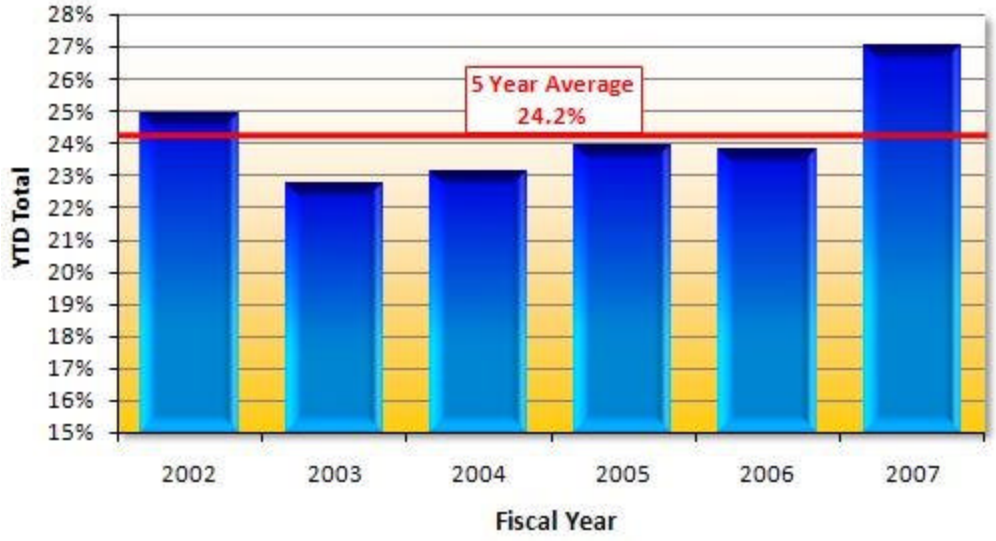
In 2005, large trucks represent about 4% of registered vehicles; however, they account for 7% of the vehicle-miles traveled on our nation's highways. Nationwide, in 2005, 5,212 people died in crashes involving a large truck, compared to 5,235 in 2004, 5,036 in 2003, and 4,939 in 2002. The data for 2006 is not yet available. While significant progress is being made toward meeting the goal of saving lives by preventing truck and bus crashes, much more needs to be done. Violations add potential risk. Risk is defined as the likelihood that a violation would be a contributing factor to a crash or hazardous materials release or exposure.

The challenge is to distinguish among violations that contribute to a significant, immediate risk of a crash or hazardous materials incident; violations that pose less significant risks; and violations that pose little or no risk. Department enforcement activities will be targeted to those areas where there is an immediate risk of crashes or hazardous material incidents.

A1: Strategy - Increase the safety of commercial motor vehicles.

Target #1: Reduce the commercial motor vehicle out of service rate by 1% as compared to the average for the past five years.

Measure #1: Percent of commercial motor vehicle out of service rate compared the average of the past five years.



Analysis of results and challenges: Using mobile units, MS&CVE focused on the second truck population during the past fiscal year increasing the number of out of service violations. This increase should be relatively short-term as the second truck population comes into compliance with the latest regulations, by education and enforcement.

Second truck populations are those that travel on the road system and have routes that miss the fixed weigh stations.

Risk management is the process by which an organization identifies and understands sources of risk, makes decisions on how to allocate resources to address these risks, and confirms the validity of these decisions using performance results. The Division of Measurement Standards and Commercial Vehicle Enforcement (MS&CVE) is using risk-based decision-making to enhance agency efforts to promote the safe operation of commercial motor vehicles.

One approach is in the risk-based differentiation of the vehicle, driver, and hazardous materials violations found during inspections. MS&CVE can focus out of service enforcement and education during safety inspections by concentrating on the highest risk violations.

Target #2: 100% of new entrant carriers to receive a safety audit within 18 months of U.S. DOT registration.

Measure #2: Percent of new entrant safety audits received within 18 months of U.S. DOT registration.

Percent of new entrant compliance reviews within 18 months of U.S. DOT registration.

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
FFY 2004	not available	not available	100%	100%	100%
FFY 2005	100%	100%	100%	100%	100%
FFY 2006	100%	100%	100%	100%	100%
FFY 2007	100%	0 0%	0 0%	0 0%	0 0%

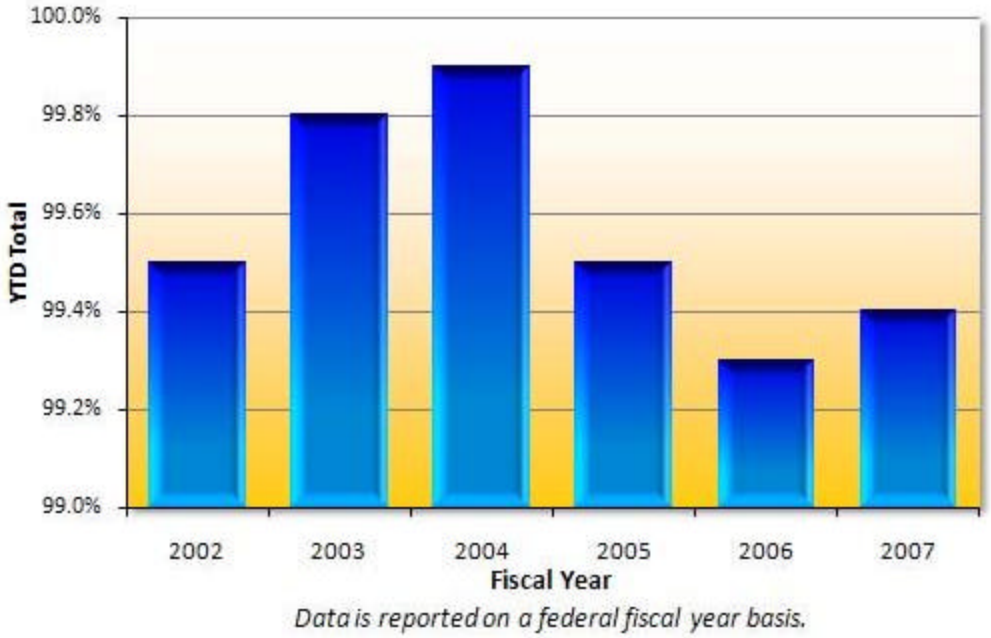
Data is reported on a federal fiscal year basis.

Analysis of results and challenges: The Federal Motor Carrier Safety Administration (FMCSA). FMCSA develops, maintains, and enforces federal regulations that promote carrier safety, industry productivity, and new technologies. The FMCSA regulations establish safe operating requirements for commercial vehicle

drivers, carriers, vehicles, and vehicle equipment. The Motor Carrier Safety Assistance Program (MCSAP) is a federal grant program that provides states with financial assistance to hire staff and implement strategies to enforce FMCSA regulations and hazardous materials regulations. MCSAP funds are used to conduct roadside inspections and review motor carriers' compliance with the associated regulations. MCSAP funds promote detection and correction of commercial motor vehicle safety defects, commercial vehicle driver deficiencies, and unsafe motor carrier practices before they become contributing factors to crashes and hazardous materials incidents.

B: Result - Protect and preserve highway infrastructure.

Target #1: 98% commercial motor vehicle weight compliance at fixed and mobile inspection sites.
Measure #1: Percent of inspected commercial motor vehicles that are weight compliant.



Data is reported on a federal fiscal year basis.

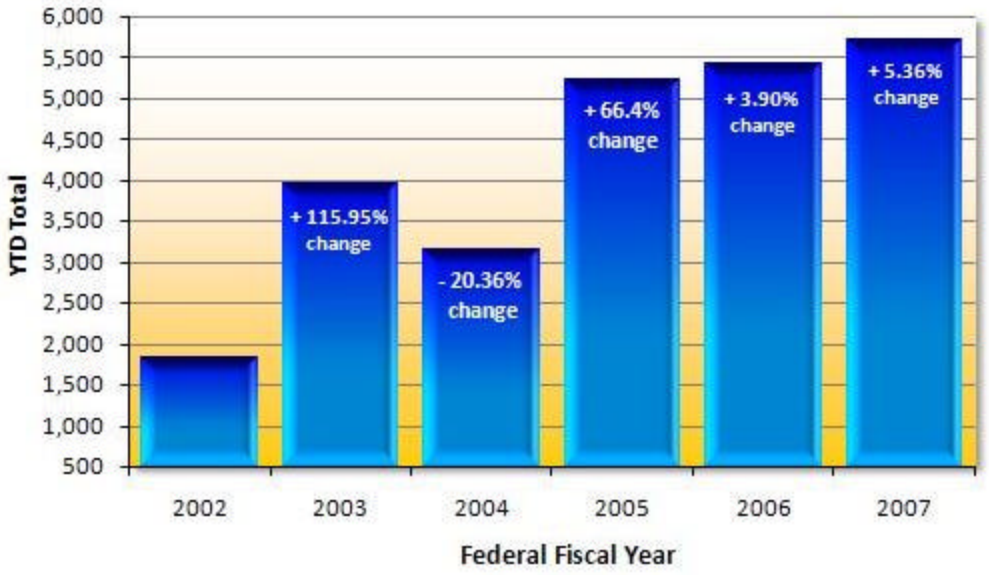
Analysis of results and challenges: Division inspection efforts focus on maintaining the high level of compliance at weigh stations and improving compliance at the roadside inspection locations. Weight compliant commercial motor vehicles do not contribute to premature deterioration of Alaska's roads and bridges.

The department has placed emphasis on inspections through expanded mobile enforcement coverage, authorized traffic stops to selected and trained Commercial Vehicle Enforcement Officers, and conducted joint operations with the Alaska State Troopers and local police departments.

B1: Strategy - Reduce number of illegal oversize/overweight CMV's on highways.

Target #1: Increase the number of roadside (mobile enforcement) commercial truck inspections by 5% over the previous year.

Measure #1: Percent change in mobile enforcement truck inspections over the previous year.

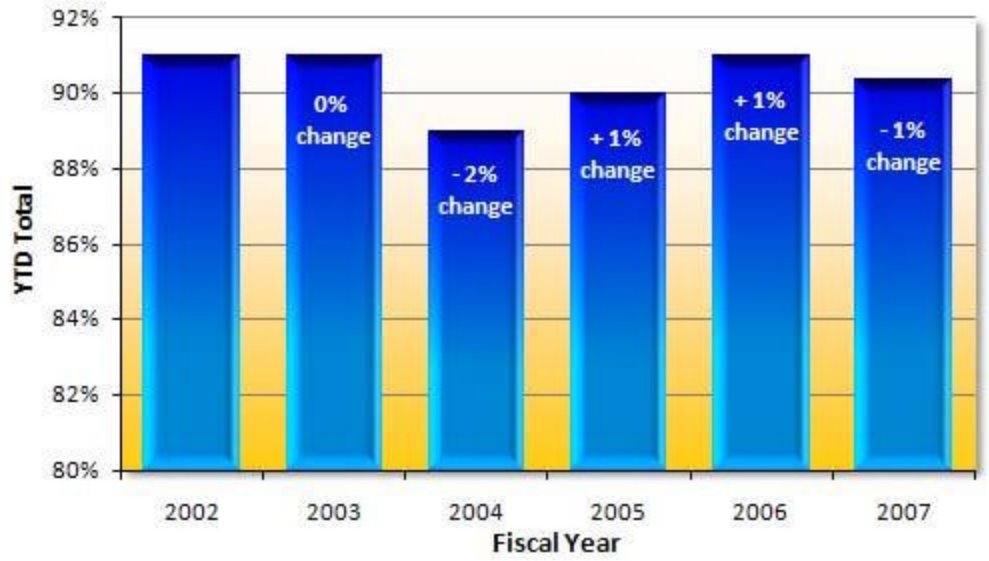


Analysis of results and challenges: Commercial motor vehicles that do not routinely pass through a fixed weigh station location for inspection are more likely to be non-compliant in both size and weight. Division inspection efforts will focus on identifying and correcting non-compliant oversize and overweight vehicles as both pose serious threats to highway safety and premature deterioration of Alaska's roads and bridges. The number of roadside commercial truck inspections increased by 5.36% in FFY2007.

C: Result - Assure and maintain market place confidence and equitable trade

Target #1: Increase scale, meter and scanner compliance rate by 1%.

Measure #1: Percent change in weighing and measuring device compliance rate compared to the previous year.

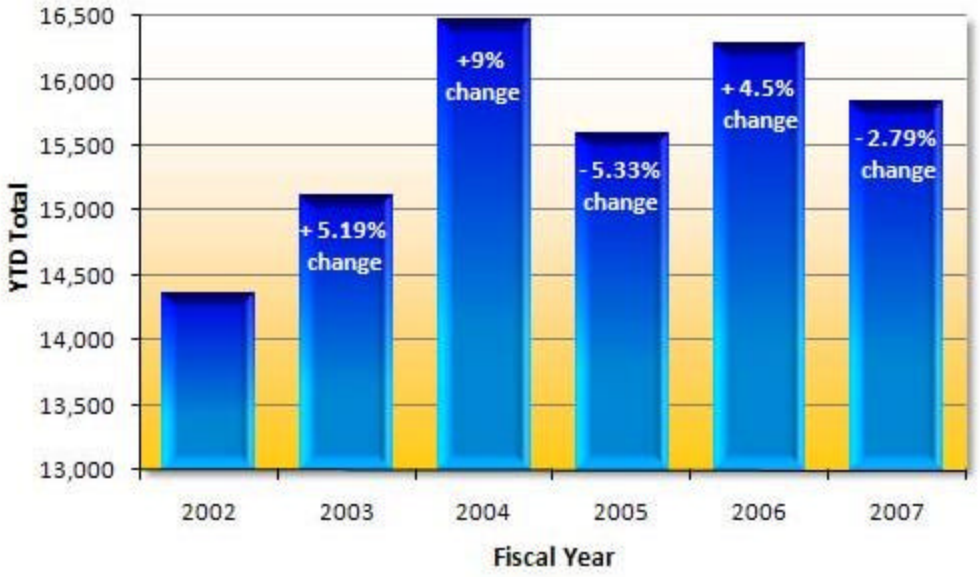


Analysis of results and challenges: The loss of two inspectors and a change in management personnel resulted in a decrease in inspections for FY 07 and a slight decrease in the compliance rates. The age of

some key testing equipment resulted in additional lost production due to equipment breakdowns. Additional resources added to price verification testing at new retail locations has resulted in a decrease in the compliance rates reported for scanner testing. Challenges for FY 08 will be to bring staffing levels back to normal and modernization of equipment to meet goals. A change in procedures will improve the accuracy of our reporting and, as a result, compliance rates should fall when reported in FY 08.

C1: Strategy - Provide efficient inspection program.

Target #1: Increase the number of scale, meter and scanner inspections by 1% compared to previous year.
Measure #1: Percent change of scale, meter and scanner inspections compared to previous year.



Analysis of results and challenges: The department's goal is to assure market place confidence and equitable trade through increasing and improving scale, meter and scanner compliance rates. Emphasis will be placed on inspecting registered weighing and measuring devices annually, increasing large fuel meter inspections, increasing enforcement presence, and improving inspector productivity in the performance of price verification/scanner inspections. The number of scale, meter and scanner inspections decreased by 2.79% in FY2007.

Scales: The loss of personnel who tested scales caused a decrease in overall inspections. New personnel added mid-year and the replacement of aged equipment will bring the scale testing program on track to meet the goals for FY 08.

Meters: An increase in inspections due to the addition of new retail dispensers and the opening of new businesses in FY 07 increased the number of devices inspected. MS&CVE increased the inspections of fuel dispensers at the retail level in FY 07 and will continue this effort in FY 08 due to the high price of fuel and the potential for inaccurate measurement. New equipment added mid-year will increase the capacity to inspect meters in Southeast Alaska and the Aleutians.

Scanners: A marked increase in the installation of scanner systems occurred during FY 07 increasing the number of devices inspected. We anticipate the trend to continue in FY 08 and beyond. The addition of a full time staff member will increase the efficiency of the price verification testing and we expect an increase in the compliance rate from this effort.

Package Testing: FY 08 will bring a new reporting category illustrating our efforts and effects from the package testing program.

Design and Construction Results Delivery Unit

Contribution to Department's Mission

Improve the transportation system in Alaska and protect the health and safety of the people of Alaska by developing transportation and public facilities projects and constructing safe, environmentally sound, reliable, and cost effective highways, airports, harbors, docks, and buildings.

Core Services

Design: Project planning requires engineering, environmental and estimating services. Starting with the initial project funding, Design has primary responsibility for a project through the completion of a bid-ready set of plans, specifications for the legal and technical contract terms, and an engineer's estimate for the cost of construction. Accompanying the project plans and specifications, Design staff prepares geotechnical reports for the project site and materials sources, obtains the necessary interests in lands for the project, obtains the environmental clearances and project permits, and prepares plans and obtains agreements with utility companies for any utility relocations that may be required.

Design also provides a wide range of technical support functions to the department, other state and federal agencies, local governments, and the public. Examples include design assistance, traffic speed studies, bridge inspections, materials testing, the processing of utility, right-of-way and traffic permits, preparation of environmental documents, a full research program, and the Local Technical Assistance Program (both funded by the Federal Highway Administration). The Design and Construction Standards section develops standards that are in use throughout the state.

Construction: Administers construction contracts, provides field inspection and construction oversight, provides quality assurance that construction documentation and materials are in conformance with contract requirements during construction and closeout of projects, and reports Disadvantaged Business Enterprises/Minority Business Enterprise activity on construction projects.

Contracts: Reviews construction documents, provides bid packages, advertises and awards contracts, prepares certified bid tabulations, and helps resolve bidding disputes. This unit also coordinates, solicits, selects, prepares and administers professional services agreements.

Project Control: Coordinates and programs project funding; administers state and federal grants; provides engineering management support; prepares and manages the component's operating budget; develops, enhances, and maintains a management reporting system for capital projects; provides regional network administration and desktop computer support; and processes time and equipment charges to projects.

Statewide Public Facilities: Oversees all building planning, design and construction related activities and acts as the advocate for department-wide facility needs. This section provides cost estimates and management services necessary to renovate, repair or build new state owned public facilities.

End Result	Strategies to Achieve End Result
A: Improve DOT&PF efficiency. Target #1: Reduce the percent of administrative and engineering costs to 30% or less of total project costs. Measure #1: Percentage of administrative and engineering costs when compared to total project costs. Target #2: Advertise 75% of new highway and aviation construction project funding by April 30th.	**A1: Reduce design and engineering costs.** Target #1: Maintain design engineering (PE) averages at 15% or less of total project costs. Measure #1: Design engineering (PE) as a percentage of total project costs. Target #2: Improve the percentage of projects that exceed $1 million having formal pre-authorization scope

Measure #2: Percentage of highway and aviation construction project funding (determined by engineer's estimate) advertised by a given date. Target #3: Reduce the percentage difference between bid and final contractor payments to 8%. Measure #3: The percentage difference between contractor bids and final contractor payments.	meetings to 75%. Measure #2: The percentage of projects (with estimated construction bid amount over 1 million dollars) having formal pre-authorization scope meeting as compared to total projects receiving authority to proceed. **A2: Reduce construction project costs.** Target #1: Maintain construction engineering (CE) costs at 14.5% or less of total contractor payments. Measure #1: Construction engineering (CE) as a percentage of total contractor payments. **A3: Accelerate project closeouts.** Target #1: Close out 80% of construction contracts within the next fiscal year following the project completion date as stated in the Project Completion Letter. Measure #1: Percentage of contracts completed (i.e. Letter of Final Acceptance issued) by the end of the fiscal year following the project completion date.

Major Activities to Advance Strategies

- Design roads to appropriate standards
- Minimize in-house costs for preconstruction services
- Manage consultant contracts in a cost effective manner
- Timely close-out of construction projects
- Compare and contrast cost of in-house construction engineering (CE) with consultant CE
- Cross training between Design and Construction
- Involve Construction and Maintenance in design process from project scoping
- Explore innovative contracting methods
- Greater use of technology in the field

FY2009 Resources Allocated to Achieve Results

FY2009 Results Delivery Unit Budget: $99,681,400

Personnel:	
Full time	754
Part time	231
Total	985

Performance Measure Detail

A: Result - Improve DOT&PF efficiency.

Target #1: Reduce the percent of administrative and engineering costs to 30% or less of total project costs.
Measure #1: Percentage of administrative and engineering costs when compared to total project costs.

Percent of Project Costs Attributed to Administrative and Engineering Costs

Year	Central Region	Northern Region	Southeast Region	RDU Total	Target
FFY 2004	21%	26%	23%	22%	30%
FFY 2005	20%	22%	23%	21%	30%
FFY 2006	21%	23%	13%	18%	30%
FFY 2007	22%	24%	26%	24%	30%

Analysis of results and challenges: Percentages are calculated by summing up all administrative and engineering costs – i.e, all costs that are not direct construction payments, right-of-way acquisition/relocation payments, or utility relocation payments – and dividing those administrative and engineering costs by the total of all project costs. The aim is to hold down the overhead that accompanies public project development, to get more of each capital dollar into construction or other related fieldwork that directly benefits the private sector and the traveling public.

Design and Construction has exceeded this target for several years.

Target #2: Advertise 75% of new highway and aviation construction project funding by April 30th.
Measure #2: Percentage of highway and aviation construction project funding (determined by engineer's estimate) advertised by a given date.

Percent of construction contracts advertised by April 30th

Year	Central Region	Northern Region	Southeast Region	RDU Total	Target
FFY 2005	31%	42%	51%	38%	75%
FFY 2006	47%	56%	27%	42%	75%
FFY 2007	54%	14%	66%	40%	75%

Analysis of results and challenges: Percentages are calculated by summing the engineer's estimates for all federal and general fund construction projects advertised by the target dates, then dividing that total by the total engineer's estimate amount of construction projects advertised in that federal fiscal year.

Regional project development will be accelerated to meet this target. Once the department has reached this goal, maintaining it will be little different in terms of work production than what is experienced today. The acceleration phase could result in a temporary increase in inflated construction costs due to less competition among already busy contractors.

Large projects in Northern Region, such as the $25 million for the Fairbanks International Airport runway and $21 million for the Richardson Highway projects, took longer to design and put out to bid because of the complexity of design and due to staff shortages. Advertising of the $17 million Northway Airport project was delayed due to the timing of securing FEMA funding.

Difficulty filling engineering positions and the resultant staff shortage is affecting the amount of time it takes to design projects and pushes advertising to later in the year.

Target #3: Reduce the percentage difference between bid and final contractor payments to 8%.
Measure #3: The percentage difference between contractor bids and final contractor payments.

Difference between contractor bids and final contractor payments

Year	Central Region	Northern Region	Southeast Region	RDU Total	Target
FFY 2004	14%	29%	9%	18%	8%
FFY 2005	15%	12%	6%	13%	8%
FFY 2006	12%	11%	5%	11%	8%
FFY 2007	6%	17%	5%	9%	8%

Analysis of results and challenges: This measure will be determined after a construction project is closed and the final contract amount is known. It will help determine how effective the department is in engineering and administering construction projects. Project cost overruns typically result from quantity overruns, change orders that correct design errors and address unforeseen conditions, and changes to project scope made after contract award. Although elimination of all cost overruns is unrealistic and even cost-prohibitive, they can be controlled by efficient designs, improved negotiation skills, and disciplined scope management.

Several large projects contributed to a high percentage difference in Northern Region. Chandalar Shelf Airport Snow Removal Equipment Building had a 79% change to add on planned work (Additive Alternates) once additional funding was obtained – this was purely due to the timing of the availability of federal funds. Kotzebue Dust Control and Road Improvements had a 42% change after more funding became available to pave more road surface to control dust. Valdez Airport increased 30% for redesign, relocation and installation of Federal Aviation Administration (FAA) instrument landing system work items at FAA's request. Parks Highway Denali Park project increased 25% due to differing site conditions requiring excavated material to be hauled away and new material being hauled in.

A1: Strategy - Reduce design and engineering costs.

Target #1: Maintain design engineering (PE) averages at 15% or less of total project costs.
Measure #1: Design engineering (PE) as a percentage of total project costs.

Percent of Design Costs to Total Project Costs

Year	Central Region	Northern Region	Southeast Region	RDU Total	Target
FFY 2004	9%	10%	8%	9%	15%
FFY 2005	7%	8%	9%	8%	15%
FFY 2006	8%	9%	8%	9%	15%
FFY 2007	8%	9%	9%	9%	15%

Analysis of results and challenges: Ratios are calculated by summing the final design costs of all highway and aviation construction projects that receive final acceptance in a given state fiscal year, then comparing the total to the total project costs.

To provide design engineering services at 15% of the total project costs is a measure of the department's efficiency in the delivery of bid documents. The increasing complexity of the design process requires more effort than in previous years. Examples include public involvement demands, regulatory agency constraints, utility relocation costs, right of way costs, and the higher cost of utilizing consultants.

The results show that Design has been successful holding costs down and has exceeded this target for several years.

Target #2: Improve the percentage of projects that exceed $1 million having formal pre-authorization scope meetings to 75%.
Measure #2: The percentage of projects (with estimated construction bid amount over 1 million dollars)

having formal pre-authorization scope meeting as compared to total projects receiving authority to proceed.

Percent of Projects having Scope Meetings

Year	Central Region	Northern Region	Southeast Region	RDU Total	Target
FFY 2004	47%	0%	50%	37%	75%
FFY 2005	74%	44%*	100%	64%	75%
FFY 2006	88%	42%*	100%	77%	75%
FFY 2007	90%	11%*	10%	64%	75%

This performance measure was established in the Governor's FY06 budget.
Northern Region reporting for FFY05-FFY07 reflects using the "one step" process for scoping meetings.

Analysis of results and challenges: Ratios are calculated by dividing the number of projects with formal scoping meetings by the total number of projects receiving authority to proceed.

Bringing all of the department's stakeholders together to discuss all aspects of the project prior to authorization leads to more efficient project development. People view scoping of projects as inconvenient. They may have other high, time sensitive priorities, but it is important to the overall project development efficiency to reach a consensus on the project scope.

* Northern Region results for FFY05-FFY07 reflect the use of a one-step process rather than formal scope meetings. The region recently began holding scope meetings, and will report using that criterion next year.

A2: Strategy - Reduce construction project costs.

Target #1: Maintain construction engineering (CE) costs at 14.5% or less of total contractor payments.
Measure #1: Construction engineering (CE) as a percentage of total contractor payments.

Construction Engineering Expressed as a Percentage of Total Contractor Payments

Year	Central Region	Northern Region	Southeast Region	RDU Total	Target
FFY 2004	10.2%	11.1%	12.1%	10.6%	14.5%
FFY 2005	13.0%	11.4%	11.1%	12.3%	14.5%
FFY 2006	11.8%	11.8%	10.9%	11.8%	14.5%
FFY 2007	11.5%	10.6%	8.2%	10.1%	14.5%

Analysis of results and challenges: This measure is determined after a construction project is closed and all construction charges are accounted for. Contract administration costs over the past several years have run at about 14.5%; however, the state's growing capital program is straining department resources and forcing the department to outsource more of its construction engineering (CE) work to other agencies as well as the private sector. Outsourced CE tends to be more expensive, so maintaining this target will be a challenge.

This measure is also a challenge because of the remoteness of most of the projects (increasing travel and transportation costs), and because the requirements of the federal funding agencies and the expectations of the traveling public tend to increase over time. All of these factors drive administrative costs up. This measure will change from year to year based on the type and size of projects completed. Small urban projects may require the same level of oversight, i.e., staff, as large rural projects. Projects that consist primarily of asphalt paving are typically completed in a short time resulting in low engineering costs compared to the contract value.

A3: Strategy - Accelerate project closeouts.

Target #1: Close out 80% of construction contracts within the next fiscal year following the project completion date as stated in the Project Completion Letter.
Measure #1: Percentage of contracts completed (i.e. Letter of Final Acceptance issued) by the end of the

fiscal year following the project completion date.

Percent of Construction Contracts Closed Before End of Next Fiscal Year

Year	Central Region	Northern Region	Southeast Region	RDU Total	Target
FFY 2004	28%	52%	81%	45%	80%
FFY 2005	41%	60%	79%	59%	80%
FFY 2006	33%	76%	73%	57%	80%
FFY 2007	35%	73%	70%	60%	80%

Analysis of results and challenges: Percentages are calculated by dividing the number of projects completed as stated in the Project Completion Letter, in a given federal fiscal year by the number of projects receiving Final Acceptance, or the contract closure, by the end of the following federal fiscal year.

The burden of closing out a project largely falls on the same people who must prepare for their next construction assignment or who are already actively engaged in other construction projects. Nevertheless, timely closeout of projects is an important cost-savings benefit to the state as the task itself will be done more efficiently and in some cases its completion will permit leftover construction funds to be released to fund other projects.

Central Region continues to explore avenues to close out the backlog of projects to facilitate meeting this measure. One position was added to the Public Facilities branch to focus on closing out building projects. Consultant contracts for construction administration now include clauses enabling other project closeouts to be added to the contract. A revised Policy and Procedure (P&P) which reduces final review requirements has recently been drafted and should be implemented by the end of calendar year 2007.

RDU/Component: State Equipment Fleet

(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)

Contribution to Department's Mission

Replace, maintain, and manage state-owned vehicles, equipment, and attachments for safe and appropriate use.

Core Services

- The State Equipment Fleet (SEF) is responsible for the management, maintenance, and inventory of all state vehicles, equipment, and attachments assigned to state executive branch agencies. Vehicle licensing and titling services are provided to the Legislature, Alaska Court System, University of Alaska, and Alaska Housing Finance Corporation.
- SEF provides maintenance, repair and servicing of state equipment at maintenance and operations shops, remote rural airport stations, and roadside locations throughout Alaska. Preventive maintenance, safety and vehicle emission inspections, parts procurement, and inventory control are provided. Equipment condition is evaluated for the replacement program. New vehicles, equipment, and attachments are received, checked in, made ready for service, and issued to using agencies.
- SEF contracts for vehicle fuel credit card systems for use by state agencies.
- SEF headquarters also develops the specifications for and purchases new equipment and vehicles for all executive branch agencies, and provides administrative support including, but not limited to: policies and procedures, rate setting, computer systems, and training.
- SEF evaluates excess equipment and sells it at auction, negotiates sales to cities and boroughs, or assigns it to an appropriate alternative use.

End Result	Strategies to Achieve End Result
A: Improve customer satisfaction with DOT&PF fleet services. Target #1: Increase customer satisfaction with DOT&PF fleet services by 5% from prior year. Measure #1: Percent change in customer satisfaction with DOT&PF fleet services based on survey of customers. (Rating of 4 and above on a scale of 1 to 5, with 5 being best).	**A1: Improve the quality of DOT&PF fleet services.** Target #1: Increase all wet vehicle uptime by 2%. Measure #1: Percent change in uptime from prior year for all wet vehicles. Target #2: Reduce the average number of days from purchase requisition to purchase order for capital purchases to 21 days. Measure #2: Average number of days from requisition to purchase order for fleet purchases.
End Result	**Strategies to Achieve End Result**
B: Reduce the annual lifecycle cost of the fleet. Target #1: Reduce the annual lifecycle cost of the fleet by 5%. Measure #1: Percent change in annual lifecycle fleet cost compared to the prior year.	**B1: Provide efficiencies to reduce fleet costs.** Target #1: Increase preventive maintenance compliance by 5%. Measure #1: Percent change in preventive maintenance compliance as compared to prior year. Target #2: Increase scheduled maintenance to 50% of total maintenance cost. Measure #2: Percent of scheduled maintenance compared to total maintenance costs.

	B2: Carry out safe DOT&PF operations. Target #1: 10% increase in employees successfully completing required safety training. Measure #1: Percent of employees completing required safety training.

FY2009 Resources Allocated to Achieve Results

FY2009 Component Budget: $26,146,100

Personnel:	
Full time	164
Part time	2
Total	166

Performance Measure Detail

A: Result - Improve customer satisfaction with DOT&PF fleet services.

Target #1: Increase customer satisfaction with DOT&PF fleet services by 5% from prior year.
Measure #1: Percent change in customer satisfaction with DOT&PF fleet services based on survey of customers. (Rating of 4 and above on a scale of 1 to 5, with 5 being best).

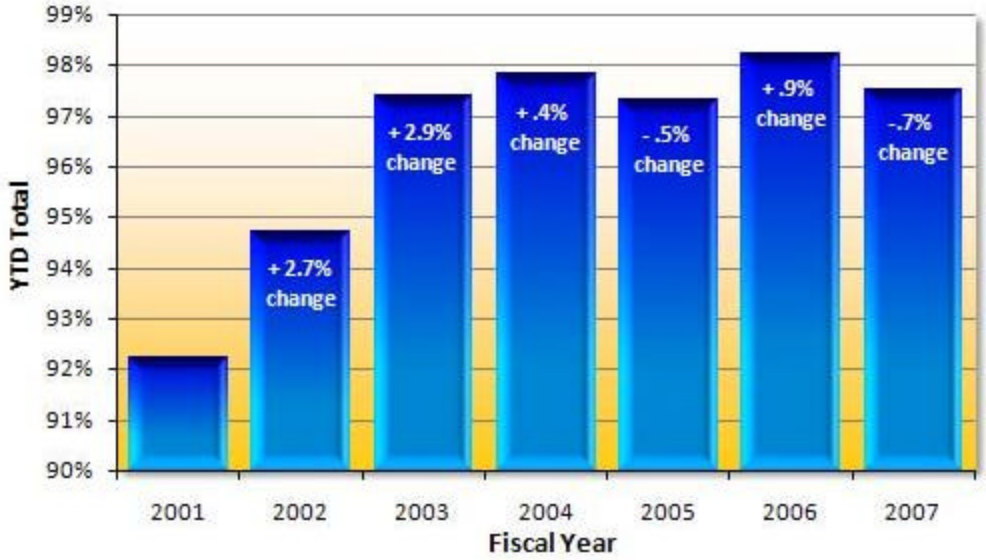
SEF customer satisfaction rates

Year	Average Score	% Change
FY 2004	4.5	
FY 2005	4.8	+7%
FY 2006	4.7	-2%
FY 2007	4.7	0%

Analysis of results and challenges: The evaluation of customer satisfaction provides user agencies a method of direct communication regarding their concerns and issues while also working to educate the customer base about the fleet operation. This communication provides management with a list of positive and negative issues regarding the actual service level or customer satisfaction. Through an ongoing web based survey system, the department seeks feedback on the staff's courtesy, maintenance quality, timeliness, and relaying of information on services provided and general advice. To increase the response, SEF has placed the forms on their website; distribute to customers when vehicles are picked up from the shops and during the procurement process for replacing assets. The forms are also handed out during our annual user meetings statewide. The receipt of completed surveys continues to be a challenge, so SEF is trying new ways to solicit information through departmental fleet contacts, a new comment section on the web site, and small surveys by department.

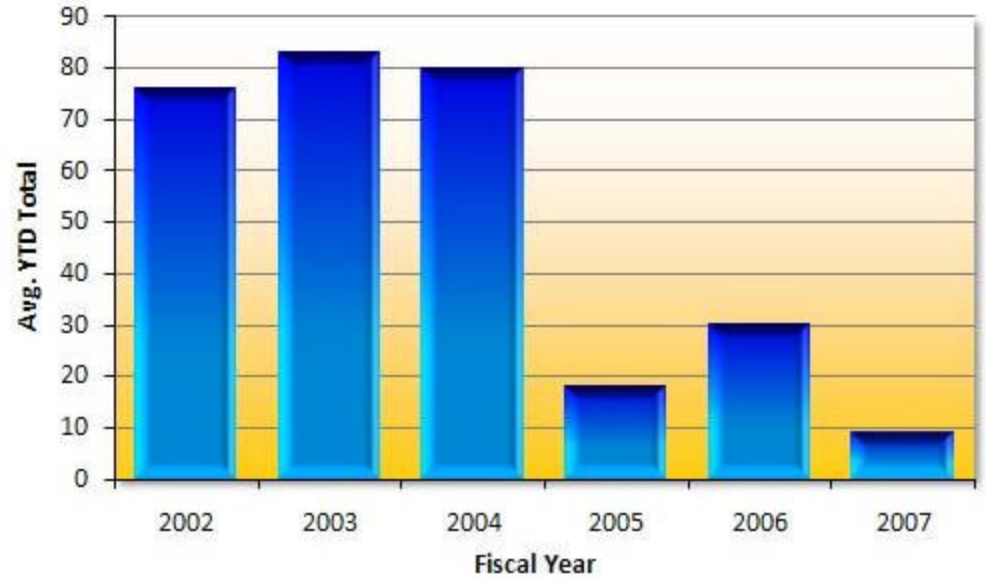
A1: Strategy - Improve the quality of DOT&PF fleet services.

Target #1: Increase all wet vehicle uptime by 2%.
Measure #1: Percent change in uptime from prior year for all wet vehicles.



Analysis of results and challenges: SEF is responsible for the overall management of the state's vehicle and equipment resources. It is a service organization providing equipment support services to all state agencies. Equipment can't perform its function when it is down for any reason. Fleets must manage this parameter. Downtime of a vehicle can be affected by staffing levels, parts availability, and adequate staff training. Since vehicles are taken offline in order to perform scheduled preventive maintenance, 100% uptime is unattainable. In FY2007, SEF had several personnel either retire from State service or transfer to other divisions. This left some maintenance shops with a reduced staff, which increased the turnaround time on light duty vehicles. SEF expects to see an increase in uptime in FY2008 back to FY2006 levels.

Target #2: Reduce the average number of days from purchase requisition to purchase order for capital purchases to 21 days.
Measure #2: Average number of days from requisition to purchase order for fleet purchases.



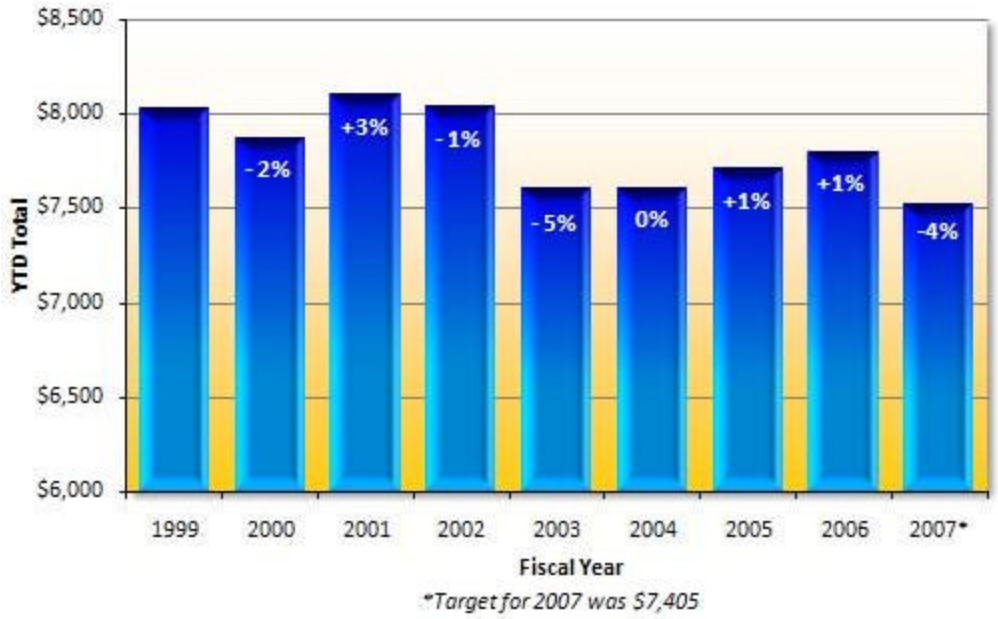
Analysis of results and challenges: SEF is the sole procurement authority for vehicles for executive branch agencies. Responsiveness to the purchasing needs of its customers can be measured by the amount of time

it takes to change purchase requisitions into purchase orders.

The department has continued to reduce the processing time for these purchases. Initiatives include contracts for repeat purchases, increased communication with user departments and training staff on specification writing for individual procurements. The procurement group continues to improve the response time with the initiative improvements. In FY2007, SEF reduced the purchasing order process by 21 days, a 70% improvement.

B: Result - Reduce the annual lifecycle cost of the fleet.

Target #1: Reduce the annual lifecycle cost of the fleet by 5%.
Measure #1: Percent change in annual lifecycle fleet cost compared to the prior year.



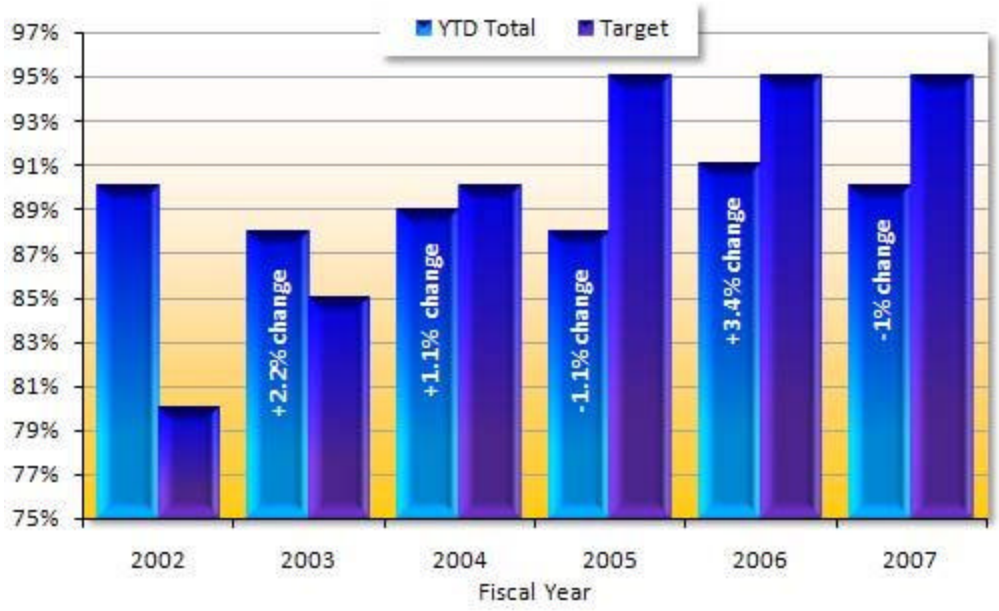
Analysis of results and challenges: Whether they are managing a private or government fleet, all managers have a common interest in the cost of operating the equipment in their control. Management has the responsibility to ensure vehicle costs are reviewed, goals are established, and comparisons are made with prior years.

Components to life cycle cost trends include: general inflation, labor contract provisions, rate methodologies, organization, depreciation, SEF labor, repair parts, and fuel prices. In FY2007, the life cycle fleet annual cost per unit reached $7,511 or a reduction of 4% from FY2006.

Data in table represents the annual life cycle cost of an average fleet asset.

B1: Strategy - Provide efficiencies to reduce fleet costs.

Target #1: Increase preventive maintenance compliance by 5%.
Measure #1: Percent change in preventive maintenance compliance as compared to prior year.

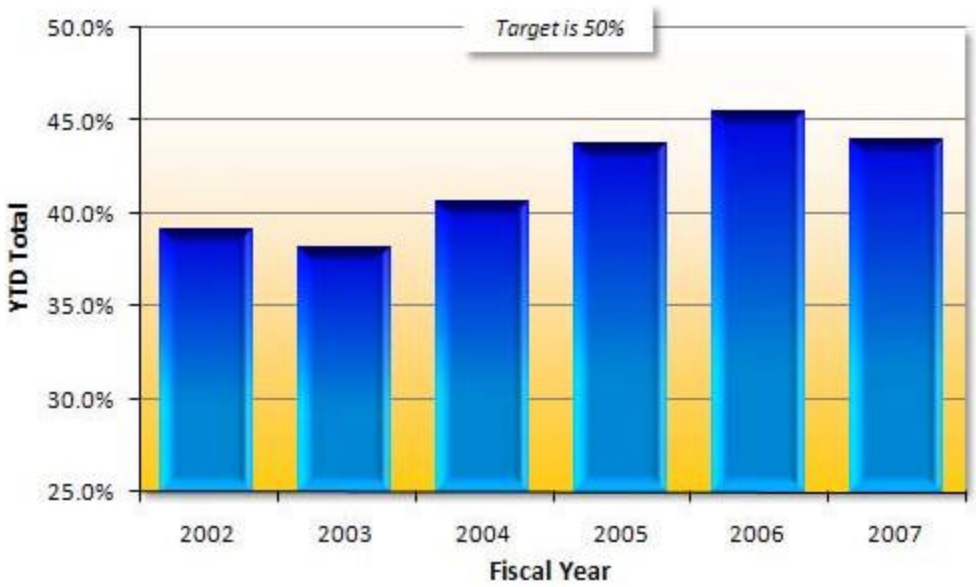


Analysis of results and challenges: State Equipment Fleet continues to track preventive maintenance (PM) activities. As of early October 2007, the Districts are experiencing from 45 to 100 percent compliance with preventive maintenance schedules. The PM compliance goals by fiscal year increased from FY2002—80 percent, FY2003—85 percent, FY2004—90 percent, to an annual average of 95%.

Preventative maintenance is a critical aspect of efficient fleet management. Regularly scheduled service and inspection of vehicles and equipment is the cornerstone of maintaining fleet safety, maintaining maintenance and operation integrity, and controlling maintenance costs. The main components of a preventive maintenance service program are regularly pre-determined inspections including lubrication and service. Adherence to these schedules will help extend machine service life, improve availability and reliability, and reduce major component repair and replacement expenses.

Barriers to reaching or surpassing this measure include the failure of the user agency to bring the vehicle in for preventive maintenance when requested by State Equipment Fleet and the inability of the user agency to bring the vehicle in if it is being used during the state's limited construction season. The latter can be alleviated by scheduling non-critical preventive maintenance at the end of the construction season or during the winter months when the vehicle is not in use. SEF continues to post the preventive maintenance schedule on the web site and is working with user agencies on compliance. In FY2007 staffing challenges, as well as decreased travel due to budgetary concerns, directly affected the ability to meet the 95% goal.

Target #2: Increase scheduled maintenance to 50% of total maintenance cost.
Measure #2: Percent of scheduled maintenance compared to total maintenance costs.



Analysis of results and challenges: The amount of scheduled maintenance is an indicator of the amount of control that management has over the inspection and repair of the fleet. This is mostly a preventative maintenance compliance and quality issue. Both can be improved through SEF management attention. Education of users is being implemented to improve preventative maintenance compliance. In general, management and supervision should be scheduling 50 percent or more of the workload. Initiatives put in place to increase the preventive maintenance compliance will have a direct effect on this target as well.

The Equipment Management System and work orders have been modified to track all scheduled maintenance activities. This will allow for improved tracking of non-scheduled vs. scheduled maintenance. The reduction in the year-to-date total was affected by several challenges including staffing levels, especially in areas where SEF supports rural airports.

B2: Strategy - Carry out safe DOT&PF operations.

Target #1: 10% increase in employees successfully completing required safety training.
Measure #1: Percent of employees completing required safety training.

Percent of employees completing training

Year	YTD
FY 2003	11.5%
FY 2004	10.9%
FY 2005	75%
FY 2006	85%
FY 2007	86%

Analysis of results and challenges: Seeing an increase in accidents and workers compensation claims, the department undertook a review of the safety program in 2002. The result was the production of a new safety manual that includes required safety training elements. The new manual became policy in 2003. Previously, each region, section and safety officer within the department held training events including periodic safety meetings and briefings on new equipment and procedures as needed. Increased funding may be necessary for travel, lodging and additional equipment to comply with the employee specific job training requirements. Required training is expected in other areas, e.g., homeland security drills, etc.

Required safety training, as identified in the safety manual, is being implemented over a 5 year period.

Through additional safety training, we expect a reduction in work related injuries and workers compensation claims.

This is a new measure that has required time and resources to identify and document required baseline information. The FY03 and FY04 data relates to employees' participation in department safety meetings. SEF established a training database in late FY06 to better track all training employees receive throughout the year. Future data will look at all required safety training. In FY07, 86% of SEF employees have taken at least one safety training class.

Statewide Facility Maintenance and Operations Results Delivery Unit

Contribution to Department's Mission

Provide cost-effective, environmentally sound and reliable public facilities.

Core Services

Provide preventative maintenance, routine maintenance, repair work, and minor construction for 708 state facilities totaling over 2,647,733 square feet.

Furnish basic services and utilities, such as electricity, water, sewer, waste disposal, janitorial, heating, grounds maintenance, and snow removal for state-owned facilities.

Perform or procure contracts for remodeling and repairs required by building occupants or needed to meet changing building codes and new regulations such as the Americans with Disabilities Act.

Provide and procure contracts for major maintenance, including renewal and replacement of worn-out, inefficient and outdated building components, mechanical systems, flooring, ceilings, windows, and window and wall coverings.

End Result	Strategies to Achieve End Result
A: Maintain state owned facilities to appropriate department standards. Target #1: Increase customer satisfaction with DOT&PF facilities to 80%. Measure #1: Percent of customer satisfaction based on survey of customers.	**A1: Improve the quality of DOT&PF facilities.** Target #1: Complete 90% of all work requests on time. Measure #1: Percentage of work requests completed on time. **A2: Reduce facility operating costs with new technologies and system upgrades.** Target #1: Expend 2% of the annual operating budget (minus utilities) for energy saving upgrades. Measure #1: The percentage of annual expenditures specifically for energy saving upgrades. Target #2: Increase preventative maintenance on time completion to 90%. Measure #2: Percent of preventative maintenance completed on time. **A3: Carry out safe DOT&PF operations.** Target #1: 10% increase in employees successfully completing required safety training. Measure #1: Percent of employees completing required safety training.

Major Activities to Advance Strategies

- Expand use of Facility Maintenance Management System
- Continue to install energy savings devices

Major Activities to Advance Strategies

- Conduct safety training and audits - work with Department of Labor and Workforce Development

FY2009 Resources Allocated to Achieve Results

FY2009 Results Delivery Unit Budget: $19,836,300

Personnel:	
Full time	77
Part time	6
Total	83

Performance Measure Detail

A: Result - Maintain state owned facilities to appropriate department standards.

Target #1: Increase customer satisfaction with DOT&PF facilities to 80%.
Measure #1: Percent of customer satisfaction based on survey of customers.

Customer Satisfaction

Year	YTD
2005	85%
2006	83%
2007	88%

Results are reported on a calendar year basis.

Analysis of results and challenges: DOT&PF managed facilities are used not only by department personnel but also by many of the other state departments. An annual survey is conducted of state facility occupants. The positive result from this survey indicates that the occupants of state facilities managed by DOT&PF are satisfied with the services provided by the department. Crews have been working diligently on deferred maintenance projects and emergency work requests repairing damage from vandalism, floods, and lightning strikes. Other State departments are providing funding for some capital projects that upgrade some of these facilities. The occupants' responses may be reflective of improvements provided in FY07.

It is clearly evident that customer satisfaction is linked to the service attitude of facilities staff and the development of user agreements that identify the expected level of service. The department receives numerous compliments from user agencies after work is completed. Our goal is to continue to achieve satisfactory ratings from other agencies and provide useful work environs for state agencies.

A1: Strategy - Improve the quality of DOT&PF facilities.

Target #1: Complete 90% of all work requests on time.
Measure #1: Percentage of work requests completed on time.

Percentage of work order requests completed timely

Year	YTD
FY 2005	85%
FY 2006	69%
FY 2007	90%

Results are reported on a state fiscal year basis.

Analysis of results and challenges: Completion rates have increased substantially as more effort is

directed toward routine maintenance work items. Work completion rates were also reviewed, discussed with our customers and lengthened to be more realistic. Tracking work order completion rates is a useful tool for managers to determine how long it takes to complete the work requested. On-time completion means within 24 hours of notification for emergency or urgent type work orders. For routine work orders, discussions with the requestor results in an expected completion date. That date is entered into the maintenance database as the scheduled completion date. Anything that is completed prior to or by the expected completion date is considered "on time". Preventative maintenance tasks are prescheduled work orders and are set up by frequency, i.e. monthly, quarterly, annually, etc.

A2: Strategy - Reduce facility operating costs with new technologies and system upgrades.

Target #1: Expend 2% of the annual operating budget (minus utilities) for energy saving upgrades.
Measure #1: The percentage of annual expenditures specifically for energy saving upgrades.

Expenditures for Energy Saving Upgrades

Year	YTD
FY 2005	2.9%
FY 2006	4.2%
FY 2007	2.0%

Results are reported on a state fiscal year basis.

Analysis of results and challenges: Increasing expenditures in energy conservation measures are extremely important in light of energy cost fluctuations and increases. High efficiency lighting, direct digital control systems for environmental control, building envelope insulation upgrades, occupancy sensors for lighting and HVAC control, and high efficiency window and door systems all contribute to reducing energy consumption.

Target #2: Increase preventative maintenance on time completion to 90%.
Measure #2: Percent of preventative maintenance completed on time.

Percent of preventative maintenance completed timely

Year	YTD
FY 2005	95%
FY 2006	84%
FY 2007	95%

Results are reported on a state fiscal year basis.

Analysis of results and challenges: The Facilities Maintenance Management System is automatically generating preventative maintenance (PM) schedules. PMs are prescheduled work orders and are set up by frequency, i.e. monthly, quarterly, annually, etc. An annual schedule is developed for all the equipment requiring PMs based on the manufacturers recommendations. This is proving to be a valuable tool as crews are receiving reminders and schedules for PM work. Timely PM's will result in reduced breakdowns, crew call outs and replacement costs.

A3: Strategy - Carry out safe DOT&PF operations.

Target #1: 10% increase in employees successfully completing required safety training.
Measure #1: Percent of employees completing required safety training.

Percent of employees completing required safety training

Year	YTD
FY 2005	100%
FY 2006	100%
FY 2007	100%

Results are reported on a state fiscal year basis.

Analysis of results and challenges: 100% attendance at safety meetings and required training is outstanding. Both the crews and the management of Facilities Maintenance realize the importance of a safe work environment and undertook the initiative to promote safety seriously. This measures mandatory first aid, CPR and safety meeting attendance.

Highways and Aviation Results Delivery Unit

Contribution to Department's Mission

Operate, maintain, safeguard, and control the state's infrastructure system of highways, airports and harbors.

Core Services

- Winter snow and ice control, including snow plowing, snow removal, sanding, anti-icing, avalanche control, snow fencing and culvert thawing.
- Summer maintenance including: grading, pothole patching, crack sealing, leveling of heaves and dips, brush clearing, sweeping, dust control, drainage cleaning and repair, pavement marking, fence and guardrail repair, bridge painting and repair, and sign maintenance.
- Road and airport lighting systems maintenance, including: traffic signals, intersection and road illumination, harbor electrical service and lighting, and runway and taxiway lights.
- Roadside litter control and trash removal at rest areas, turnouts and campgrounds.
- Access control to state rights of way for driveways, access roads, signs and utilities.
- Security at state airports in compliance with the Homeland Security and the Transportation Security Administration (TSA).
- Operation of certificated airports in compliance with 14 CFR Part 139.
- Maintenance of federally mandated security at state airports, including access controls, criminal history checks and badging, security fencing, communications, and law enforcement.
- Emergency response to impacts on State highways and airports from natural disasters.
- Active avalanche program.

End Result	Strategies to Achieve End Result
A: Maintain State owned roads, highways and airports to appropriate department standards. Target #1: Improve customer satisfaction by 3% with DOT&PF services. Measure #1: Change in customer satisfaction based on survey of customers.	**A1: Keep urban highways passable at all times.** Target #1: Clean up snow and ice from urban highways within 18 hours after end of snow storm. Measure #1: Number of hours after end of storm before urban highways are cleaned up (shoulders and intersections clear and berms pushed back). **A2: Ensure regulatory compliance at rural Part 139 airports.** Target #1: No major violations during annual Part 139 inspections. Measure #1: Number of Part 139 inspection violations. **A3: Carry out safe DOT&PF operations.** Target #1: 10% increase in employees successfully completing required safety training. Measure #1: Percent of employees completing required safety training.

Major Activities to Advance Strategies

- Use maintenance management system to monitor
- Develop policies and procedures for accident/incident

Major Activities to Advance Strategies

efficient and effective use of State resources
- Increase scheduled preventative maintenance
- Implement technologies and use of anti-icing chemicals for effective anti-icing program
- Provide safety training and compliance monitoring
- review, tracking and prevention
- Provide equipment operator training and certification
- Deploy Alaska land mobile radios and receivers

FY2009 Resources Allocated to Achieve Results

FY2009 Results Delivery Unit Budget: $121,194,200

Personnel:	
Full time	523
Part time	81
Total	604

Performance Measure Detail

A: Result - Maintain State owned roads, highways and airports to appropriate department standards.

Target #1: Improve customer satisfaction by 3% with DOT&PF services.
Measure #1: Change in customer satisfaction based on survey of customers.

Customer Satisfaction

Year	YTD	% Change
1998	60%	
2005	79%	31.7%
2007	no survey	not available

Analysis of results and challenges: DOT&PF has contracted for a survey to be conducted in the fall of 2007. Customer satisfaction with the operation and maintenance of our highways and rural airport system increased significantly between 1998 and 2005. This result may have direct corollary with the maintenance budgets. In 1998, the burgeoning state fiscal problems manifested into flat line budgets that limited our ability to address maintenance problems on the roads and airports. Starting in 2003, the maintenance program began receiving additional funding in both operating and capital programs. These increased funds allowed the department to address some of the long-standing issues that the public had complained about for several years.

A1: Strategy - Keep urban highways passable at all times.

Target #1: Clean up snow and ice from urban highways within 18 hours after end of snow storm.
Measure #1: Number of hours after end of storm before urban highways are cleaned up (shoulders and intersections clear and berms pushed back).

Average number of hours to clean urban roads

Year	YTD
FY 2005	15.5
FY 2006	14.7
FY 2007	32.0

Analysis of results and challenges: Urban highways receive priority snow and ice control service due to the large volume of traffic on these routes. Managers must ensure that maintenance personnel and equipment are mobilized to clear these routes and have them cleaned up within 18 hours after a winter storm subsides. A completed winter road provides safe driving conditions and will be either a bare road or a plowed road with an adequate amount of sand applied for traction. Intersections and turn lanes will be cleared of snow in the driving lanes.

This result is an average clean up time for the four large urban centers of the state – Anchorage, Fairbanks, Palmer/Wasilla and Juneau. Individual area clean up times ranged from 20 hours in Juneau to 38 hours in Anchorage. The winter of 2006/2007 was very challenging for snow removal activities. Portions of the state received record snowfall. In other areas, the storms were not discreet events but continued in duration for days at a time. For instance, in Anchorage there were 5 events from late December to the end of January. With nearly continuous precipitation, the crews were in constant effort to move snow off the roads and then haul it away. Variables including severity of the snow storms and the amount of secondary roads that must also be plowed all factor into how long it takes to clean up the roadsides and intersections. For instance Fairbanks crews do a complete circuit of their Priority One roads first before spreading out to their Priority Two and Three roads. Only after all roads have at least been plowed through will the crews return to do the clean up. Maintenance managers are challenged to apply enough resources at the right time to deal with the storm without overstressing the capabilities of the operators or over-expending funds. They must address additional needs on non-urban roads, keep crews working safely, and be ready to respond to future storms.

A2: Strategy - Ensure regulatory compliance at rural Part 139 airports.

Target #1: No major violations during annual Part 139 inspections.
Measure #1: Number of Part 139 inspection violations.

Number of major airport violations

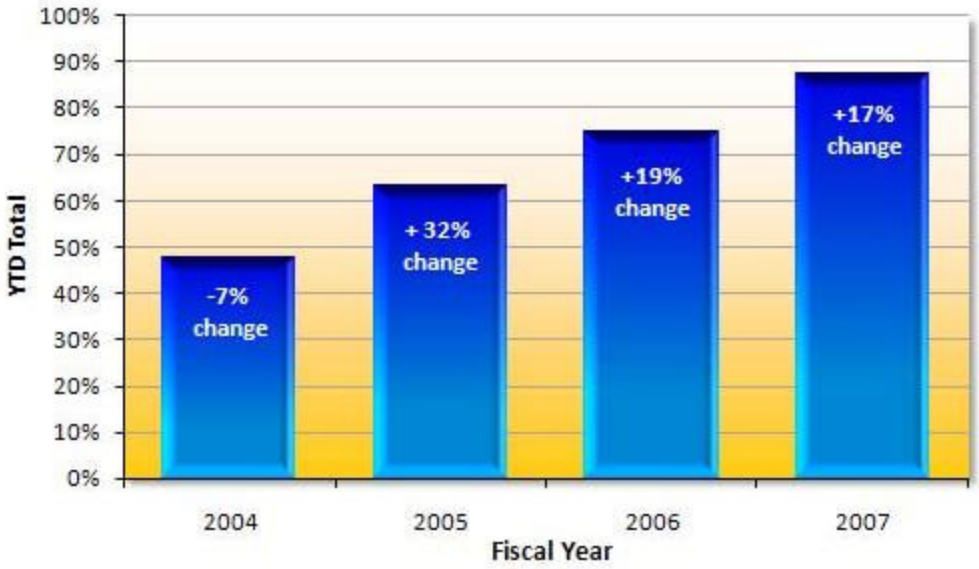
Year	YTD
2004	0
2005	0
2006	0
2007	0

Analysis of results and challenges: State of Alaska rural airports that provide Part 139 service (air carriers with aircraft of over 30 seats) must meet rigid Federal Aviation Administration (FAA) standards to maintain their certificates. FAA inspects each airport annually. Failures to meet FAA standards for airport operations, called "violations", can result in fines or suspension of the airport's certificate. DOT&PF's goal is to maintain the airports at a level of compliance that will ensure no violations occur.

We continue to be successful in meeting this goal. Maintaining this level of service requires diligence and skillful management of airport maintenance assets and extensive training of airport maintenance crews. Costs of airport maintenance continue to rise as FAA regulatory requirements become more stringent.

A3: Strategy - Carry out safe DOT&PF operations.

Target #1: 10% increase in employees successfully completing required safety training.
Measure #1: Percent of employees completing required safety training.



Analysis of results and challenges: We continue to see lower costs to the department as a result of these increased training events. Highway and airport maintenance duties are inherently dangerous. Federal and State Occupational Safety and Health Administration (OSHA) training requirements were established to help ensure that maintenance workers stay safe. Meeting those requirements is challenging for managers who have limited time and resources. Adding to the difficulty is providing these requirements to a workforce spread out across the state in 84 different locations while continuing to meet regular workload obligations. Department management is incrementally increasing the training of maintenance workers while still providing a full level of service on our highways and airports. Through additional safety and equipment operations training, we are reducing work related injuries and workers compensation claims.

Ted Stevens Anchorage International Airport Results Delivery Unit

Contribution to Department's Mission

Safely, effectively, and efficiently operate and maintain the airport consistent with federal and state regulatory requirements, high customer service standards, sensitivity to user needs, and awareness of community goals.

Core Services

- Airport police and fire protection
- Airfield and equipment maintenance
- Land and airside operational monitoring, security and control operations
- Facilities maintenance
- Airport administration: marketing, development, environmental, leasing, information systems, engineering, planning, noise control, and public relations.

End Result	Strategies to Achieve End Result
A: Safe operations on the airports Target #1: Reduce the rate of public injuries and incidents per enplaned passenger. Measure #1: Total number and rate of public injuries and incidents per 100,000 enplaned passengers. Target #2: Reduce the number of occupational injuries and illnesses to less than the national average. Measure #2: Incidence rate (number of injuries and illnesses x 200,000/total hours worked per period). Target #3: Reduce employee lost time to zero. Measure #3: Number of days of employee lost time due to work-related injuries. Target #4: Reduce property damage to zero. Measure #4: Total amount of property damages per year.	**A1: Maximize the safety and security of the traveling public.** Target #1: 95% compliance with American with Disabilities (ADA) requirements. Measure #1: Percent of airport facilities in compliance with ADA. Target #2: Maintain roads and sidewalks so they are accident/incident free. Measure #2: Number of accidents/incidents on airport maintained roads and sidewalks. Target #3: Reduce complaints regarding signage. Measure #3: Number of complaints regarding signage. Target #4: Maintain adequate runway conditions to avoid airport closure Measure #4: Number of hours/year the airport is closed due to acts of nature (snow, wind, earthquake, etc). Target #5: Provide adequate law enforcement officer/medical emergency response within federal requirements Measure #5: Average law enforcement officer/medical emergency response time **A2: Improve compliance with applicable safety codes.** Target #1: Receive zero violations related to state and federal safety codes.

	Measure #1: Number of safety related Notice of Violations (NOVs) per year.
End Result	**Strategies to Achieve End Result**
B: Customer satisfaction Target #1: Reduce the number of negative comment cards from any airport customer regarding the airport facilities, operations and/or environment including tenants. Measure #1: Number of negative comment cards regarding airport facilities, operations and/or environment. Target #2: 90% of concessionaires and airlines participating in airport-wide programs to enhance customer satisfaction. Measure #2: Percent of concessionaires and airlines participating in airport-wide programs to enhance customer satisfaction.	**B1: Improve maintenance activities so facilities are clean, well kept and stocked.** Target #1: Respond to all requests within 3 business days. Measure #1: Average number of days taken to respond to maintenance requests. **B2: Minimize negative airport impact** Target #1: Minimize noise impact on surrounding communities through the use of preferential runways for at least 95% of the operations at the airport. Measure #1: Percent of departures using preferred runways.
End Result	**Strategies to Achieve End Result**
C: Optimize revenue Target #1: Increase concession revenue by 1% per year. Measure #1: Percent change in concession revenue per year. Target #2: Keep constant or decrease personnel costs per 1,000 pounds of take-off weight. Measure #2: Personnel costs per 1,000 pounds of take-off weight (passenger and cargo).	**C1: Opportunities for multiple revenue sources** Target #1: Secure major development (>$10 million in total anticipated capital investment) every 10 years. Measure #1: Cumulative investment dollars.
End Result	**Strategies to Achieve End Result**
D: Regulatory compliance at all levels Target #1: Pass annual FAA Airport Certification Part 139 inspections. Measure #1: Results of Part 139 inspections.	**D1: Improve environmental conditions at the airport.** Target #1: Zero environmental Notices of Violation (NOVs). Measure #1: Number of environmental Notices of Violation (NOVs).
End Result	**Strategies to Achieve End Result**
E: Economic development Target #1: 2% increase in private investment at the airports per year. Measure #1: Amount invested compared to the previous year. Target #2: Increase international cargo aircraft landed weight by 1% per year. Measure #2: International cargo aircraft landed weight as compared to the prior year.	**E1: Improve marketing efforts for private sector development.** Target #1: Increase private sector contracts by 2% per year. Measure #1: Percent of change in private sector contracts per year.

Major Activities to Advance Strategies

- Provide Airport police and fire protection.
- Keep the airfield open and equipment running.
- Keep the facilities open and running.
- Provide airport development.
- Monitor the land and airside operations.

FY2009 Resources Allocated to Achieve Results

FY2009 Results Delivery Unit Budget: $56,994,100

Personnel:	
Full time	375
Part time	21
Total	396

Performance Measure Detail

A: Result - Safe operations on the airports

Target #1: Reduce the rate of public injuries and incidents per enplaned passenger.
Measure #1: Total number and rate of public injuries and incidents per 100,000 enplaned passengers.

Total number and rate of public injuries and incidents per 100,000 enplaned passengers.

Year	Total #	Rate
2004	58	.06%
2005	45	.05%
2006	87	.09%
2007	41	.04%

Data is reported on a calendar year basis.

Analysis of results and challenges: Safety and security of the traveling public is the number one priority at the airport. Through investigations incident causes and locations are determined and corrective action is taken. Also, prevention maintenance such as sanding/salting roads and walkways is a constant winter activity at the airport. Injuries are reported through dispatch operations, and figures include incidents where someone files a claim. The total enplaned passengers: FY2005 - 2,392,920; FY2006 – 2,408,171; FY2007 – 2,429,480.

Target #2: Reduce the number of occupational injuries and illnesses to less than the national average.
Measure #2: Incidence rate (number of injuries and illnesses x 200,000/total hours worked per period).

Incidence rate (number of injuries and illnesses x 200,000/total hours worked per period).

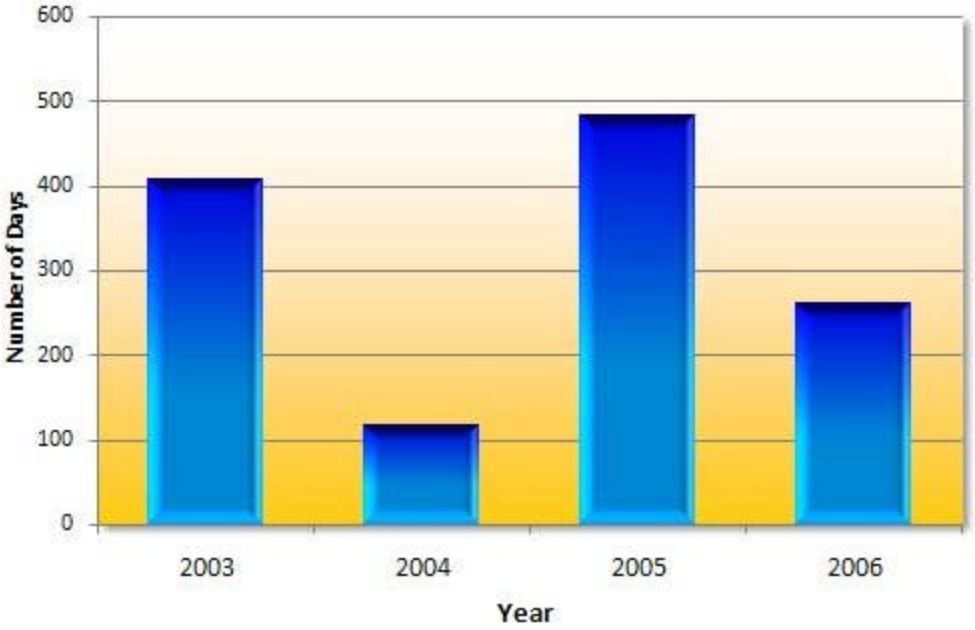
Year	YTD	Nat'l Average
2004	6.7%	10.1%
2005	3.3%	11%
2006	6.7%	10.5%

This measure is reported on a calendar year basis.

Analysis of results and challenges: The airport has written site-specific programs for facilities, field maintenance and police/fire. Safety meetings are conducted monthly to review the safety manual, safety issues, preventive maintenance, etc. Monthly, on average, the Safety and Health Officer e-mails Safety

Reminders to all employees. These reminders include subjects such as ladder safety, seasonal celebration safety, chain saw safety, aerial lift safety, etc. Statistics are distributed to show incidence rate, lost time rate, recordable injuries and worker compensation costs. Statistics are available airport-wide and by component. This is measured annually (calendar year basis) from OSHA 300 logs and compared to most recent National Average for Air Transportation from the U.S. Dept. of Labor Bureau of Labor Statistics.

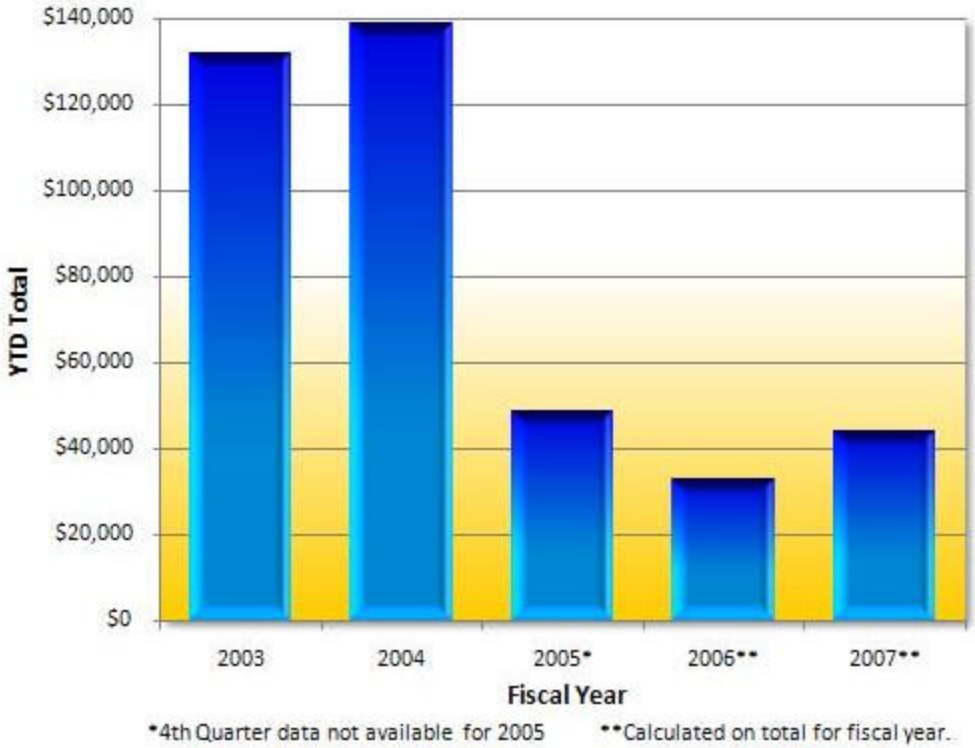
Target #3: Reduce employee lost time to zero.
Measure #3: Number of days of employee lost time due to work-related injuries.



Analysis of results and challenges: Statistics are kept showing recordable injuries and then these injuries are broken down into causes (slip/fall, struck by/against, caught in/under/between, cut/scrape, strain, heat/cold, motor vehicle, and illness). To assist the employee, the airport locates jobs the injured worker could perform (i.e. assisting the Safety Officer, data entry, parts ordering, etc). To reduce the recordable injuries staff increase employee awareness and behavior.

Measured annually (calendar year basis) from OSHA 300 logs (# days away from work).

Target #4: Reduce property damage to zero.
Measure #4: Total amount of property damages per year.



Analysis of results and challenges: All damage of property includes vehicles, fences, and building damage reported to Airport Police. The information is collected from the airport police logs based on calls for service. The amounts reflected are for damages to state property, but not all of the incidents are the responsibility of the state to repair/replace. For example, a driver hits a portion of the perimeter fence; the driver is responsible for the repair cost of the fence. To prevent property damages, officers patrol the terminals and roadways to find hazards that could promulgate damage to state property, for example, calling for sand on slick roadways to avoid vehicles hitting the fence.

Total for FY03 $131,625, average cost of $2,200.
Total for FY04 $138,695, average cost of $3,500.
Total for FY05 $48,500, 52 incidents at average cost of $932.
Total for FY06 $32,770, 50 incidents at average cost of $655.
Total for FY07 $43,775, 69 incidents at average cost of $634.

A1: Strategy - Maximize the safety and security of the traveling public.

Target #1: 95% compliance with American with Disabilities (ADA) requirements.
Measure #1: Percent of airport facilities in compliance with ADA.

Percent of airport facilities in compliance with ADA.

Year	Percent
FY 2004	75%
FY 2005	100%
FY 2006	100%
FY 2007	100%

Analysis of results and challenges: The Americans with Disabilities Act (ADA) of 1990 requires access to buildings and facilities by individuals with disabilities. These scoping and technical requirements must be

applied during the design, construction, and alteration of buildings and facilities that serve the general public. In FY07, the North and South Terminal restroom renovation was completed on boarding levels and South Terminal road grade and curbs were modified to increase ADA accommodations.

Target #2: Maintain roads and sidewalks so they are accident/incident free.
Measure #2: Number of accidents/incidents on airport maintained roads and sidewalks.

Number of accidents/incidents on airport maintained roads and sidewalks.

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2004	16	12	3	10	41
2005	12 -25.00%	14 +16.67%	16 +433.33%	16 +60.00%	58 +41.46%
2006	10 -16.67%	5 -64.29%	0 -100.00%	0 -100.00%	15 -74.14%
2007	4 -60.00%	2 -60.00%	3 0%		9 -40.00%

This measure is reported on a calendar year basis.

Analysis of results and challenges: This will measure how well we keep roads and sidewalks free of ice and snow. Data is gathered based on claims and police reports. Speed limits will be enforced and concrete areas will be sanded/salted to help prevent incidents.

Target #3: Reduce complaints regarding signage.
Measure #3: Number of complaints regarding signage.

Number of complaints regarding signage

Year	YTD
2004	19
2005	4
2006	5
2007	10

Measure is reported on a calendar year basis.

Analysis of results and challenges: Signage includes outside and inside the terminals. Walk arounds to check signage are done by facilities staff, the sign shop, leasing staff, as well as by the airport director and deputy director. Customer suggestion boxes, which are a mechanism to register a complaint or suggestion, are throughout the terminals, at the shuttle bus stops, or a customer can call Operations or Safety. Comment cards from the customer suggestion boxes are tracked by the public relations staff and deputy director. When applicable, responses are sent to the customer.

Target #4: Maintain adequate runway conditions to avoid airport closure
Measure #4: Number of hours/year the airport is closed due to acts of nature (snow, wind, earthquake, etc).

Number of hours the airport is closed due to acts of nature

Year	Total
2003	10
2004	0
2005	0
2006	0

This measure is reported on a calendar year basis.

Analysis of results and challenges: In 2003 the control tower had to be evacuated due to high winds, and the airport was closed for 10 hours. During such a closure, aircraft are diverted to Fairbanks or they stay where they are until we re-open. The airport has won the International Balchen Post Award (large airport category) for best snow and ice control teams six out of the last eight years. The airport's goal is to allow no more than 12 hours of complete runway closure per year.

Target #5: Provide adequate law enforcement officer/medical emergency response within federal

requirements

Measure #5: Average law enforcement officer/medical emergency response time

Average law enforcement officer/medical emergency response time

Year	Total
FY 2004	Less than 2 minutes
FY 2005	Less than 2 minutes
FY 2006	Less than 2 minutes
FY 2007	Less than 2 minutes

Analysis of results and challenges: Airport Police & Fire officers responded to 452 calls for medical assistance in FY07. There are four police officers and one mobile fire/medical response unit available on a 24/7 basis. FAR Part 139 requires officers on duty to be qualified as an Emergency Trauma Technician, Transportation Security Regulation (TSR) Part 1542 requires officers to provide basic first aid. We have recently worked with facilities staff to install first aid kits and Automated External Defibrillators (AEDs) in various, strategic locations throughout the terminals to facilitate a more rapid response having the needed equipment in place.

The airport's goal is maintain an average response time of ten minutes or less.

A2: Strategy - Improve compliance with applicable safety codes.

Target #1: Receive zero violations related to state and federal safety codes.
Measure #1: Number of safety related Notice of Violations (NOVs) per year.

Number of safety related Notice of Violations (NOVs)

Year	Total
FY 2004	1
FY 2005	0
FY 2006	0
FY 2007	1

Analysis of results and challenges: Measured annually on a fiscal year basis. This target addresses compliance with building, electrical, fire and other applicable safety codes. Airport Facilities received one safety violation in FY2004 regarding failure to have adequate documentation regarding training performed in response to an employee complaint and subsequent inspection. The violation was resolved and training shown to actually have had occurred as required. Airport Facilities received one state safety violation in FY2007 regarding missing machine guards on the old bag belt system. The violation was resolved and guards have been installed.

B: Result - Customer satisfaction

Target #1: Reduce the number of negative comment cards from any airport customer regarding the airport facilities, operations and/or environment including tenants.
Measure #1: Number of negative comment cards regarding airport facilities, operations and/or environment.

Number of negative comment cards regarding airport facilities, operations and/or environment including tenants

Year	Total
FY 2004	0
FY 2005	0 0%
FY 2006	n/a
FY 2007	57 0%

Analysis of results and challenges: Customer suggestion boxes are throughout the terminals, at the shuttle bus stops, or a customer can call operations or safety for a card. These are easily available for tenants, flight crew, concessionaires, as well as the passengers. To improve services, ANC will pay more attention to temperature, cleanliness, appearance in the terminals.

Note: the 2 customer service measures/targets were deleted because the annual survey has not been done since 2005; the cost was approximately $2,500; and after reviewing the customer comment cards, these customers were inputting comments through this mechanism.

Target #2: 90% of concessionaires and airlines participating in airport-wide programs to enhance customer satisfaction.
Measure #2: Percent of concessionaires and airlines participating in airport-wide programs to enhance customer satisfaction.

Percent of concessionaires and airlines participating in airport-wide programs to enhance customer satisfaction

Year	Percent
2004	35%
2005	90%
2006	53%

Measured on a calendar year basis.

Analysis of results and challenges: Measured annually, calendar year basis. It takes but one experience at the airport to spoil a visitor's whole day. Excellent service from entry to exit, on the other hand, wins repeat customers. Current program to measure is the Airport Mystery Shopper Program. The program was started in 2004 and fully implemented by 2005 (reflecting a large increase in participation from 2004 to 2005). In 2006, out of a possible 32, there were 17 participants. In 2004 and 2005, the Alaska Host Employee Customer Service Training Program participated, however this program changed in 2006.

B1: Strategy - Improve maintenance activities so facilities are clean, well kept and stocked.

Target #1: Respond to all requests within 3 business days.
Measure #1: Average number of days taken to respond to maintenance requests.

Average number of days taken to respond to maintenance requests.

Year	Total
2003	0
2004	1
2005	1
2006	1

Analysis of results and challenges: ANC is a 24-hour a day, 7 days a week operation and must be able to respond to inquiries as soon as possible. We have over 5 million passengers/customers through our facilities each year that expect a good level of service. Data is collected from the Help Line Log at ANC. Normal response time is within 24 to 72 hours.

B2: Strategy - Minimize negative airport impact

Target #1: Minimize noise impact on surrounding communities through the use of preferential runways for at least 95% of the operations at the airport.
Measure #1: Percent of departures using preferred runways.

Percent of departures using preferred runways

Year	Total
2004	99%
2005	99%
2006	99%

Reported on a calendar year basis.

Analysis of results and challenges: A preferential runway is the runway that when used would have the least noise impact on the surrounding communities. Notification is given through newspaper notices and/or nearby community mailing lists when a preferential runway cannot be used, such as for scheduled construction. Issues such as unanticipated weather changes could cause a change from a preferential runway without notice. This is measured daily, tabulated quarterly and reported on a calendar year basis. Information comes from the daily operations shift summaries.

C: Result - Optimize revenue

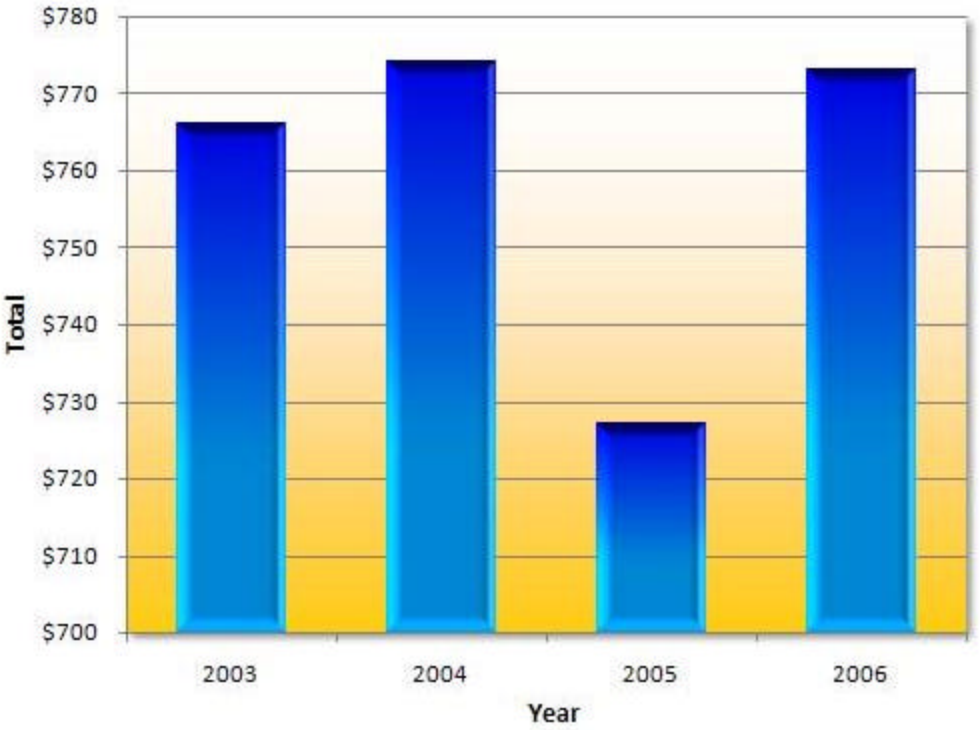
Target #1: Increase concession revenue by 1% per year.
Measure #1: Percent change in concession revenue per year.

Percent change in concession revenue

Year	YTD
FY 2003	18%
FY 2004	-17%
FY 2005	14%
FY 2006	7.7%
FY 2007	1.8%

Analysis of results and challenges: Increased concession revenue allows other airport fees (terminal rent and landing fees) to remain low enough to continue to make the airport attractive to air carriers. The dramatic changes from 2003 to the decline in 2004 reflect an accounting transaction error when revenue was allocated to a specific fiscal year. Specifically, the decrease in revenue is a result of a dramatic drop in declining international passengers (due to SARS, war and the economy) resulting in negotiations with the duty free concessionaire. The airport continues to generate additional concession revenue in the South Terminal; however the decline in international passengers (thus the drop in duty free concessionaire revenue) is difficult to overcome with the modest increases in the South Terminal revenues. Measured from Alaska International Airport System annual audited financial statements.

Target #2: Keep constant or decrease personnel costs per 1,000 pounds of take-off weight.
Measure #2: Personnel costs per 1,000 pounds of take-off weight (passenger and cargo).



Analysis of results and challenges: While the number of passengers and operations are expected to increase each year, a more accurate measurement of the efficiency of the airport staff is the cost of operating the airport per 1000 pounds of take-off weight. Annual measure.

C1: Strategy - Opportunities for multiple revenue sources

Target #1: Secure major development (>$10 million in total anticipated capital investment) every 10 years.
Measure #1: Cumulative investment dollars.

Cumulative investment dollars since 1994

Year	Total
2004	$193,892,735

Analysis of results and challenges: Each calendar year, the last 10 years of private construction investments are totaled and compared to our target of $10 million. The investment information is based on ANC building permits. Private investment in permanent facilities at ANC represents a key factor in the City's and State's economic development. Market driven private investment in construction dollars, maintenance and operations, and net increases in jobs from construction and operations is a quantitative measure of economic growth or decline. New private cargo hardstands are being built to meet anticipated growth in flight activity. Flight activity in turn generates landing fees, fuel flowage fees and other airport revenues. In 2006-2007 two express cargo carriers each built a major ground service equipment maintenance facility costing over $5 million each, totaling approximately $10 million. A corporate/general aviation facility costing approximately $4 million is under construction and a second of approximately the same cost was permitted for construction.

D: Result - Regulatory compliance at all levels

Target #1: Pass annual FAA Airport Certification Part 139 inspections.
Measure #1: Results of Part 139 inspections.

Outcome of Part 139 inspections

Year	YTD
2003	Pass
2004	Pass
2005	Pass
2006	Pass

Analysis of results and challenges: Measured annually on a calendar year basis. As federally assisted airports, we must comply with all operational and airfield requirements of FAA. We must pass an annual certification inspection. Typically, there can be minor discrepancies discovered during certification inspections that do not affect the passing results. ANC has passed each fiscal year to date, with no major discrepancies, and any minor discrepancies were resolved.

D1: Strategy - Improve environmental conditions at the airport.

Target #1: Zero environmental Notices of Violation (NOVs).
Measure #1: Number of environmental Notices of Violation (NOVs).

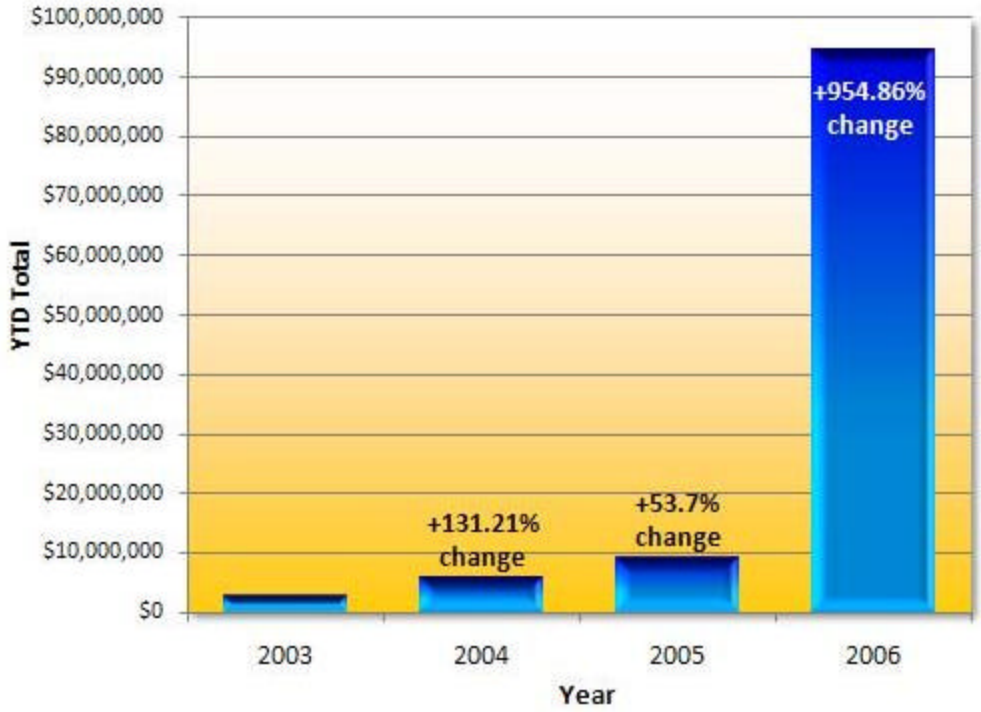
Number of environmental Notice of Violations

Year	Number
2003	0
2004	0
2005	0
2006	0

Analysis of results and challenges: Measured annually. ANC must comply with all environmental regulations, including activities, property and facilities managed by the airport.

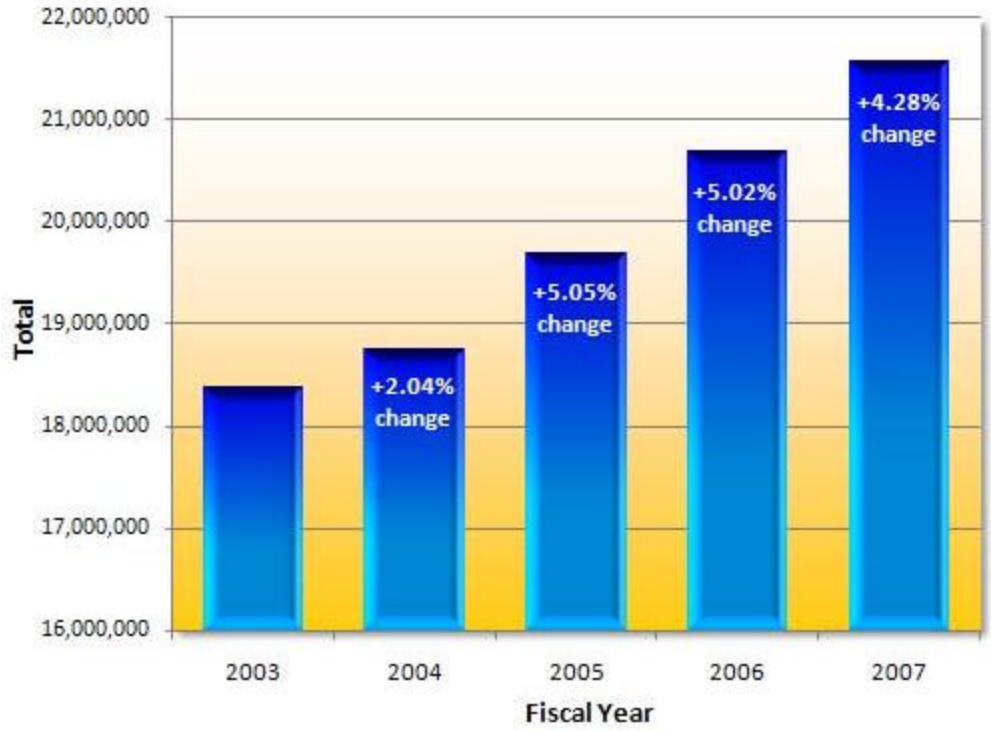
E: Result - Economic development

Target #1: 2% increase in private investment at the airports per year.
Measure #1: Amount invested compared to the previous year.



Analysis of results and challenges: Buildings are being constructed such as new cargo facilities, remodeling passenger hangars to upgrade and/or accommodate aircraft requirements, adding aircraft fueling facilities, etc. This aviation development reflects support of statewide business activity and in some cases response to national and international aviation business. To bring in more private investment, the airport is in constant contact with airlines, third party developers, support businesses, organizations such as Airports Council International (ACI) and its sister organizations, the International Air Cargo Assn (TIACA), and Alaska Economic Development Corporation (AEDC), Anchorage Air Cargo Assn. and local Chambers of Commerce. The large increase from 05 to 06 reflects the Rental Car Garage Facility at $65M increase alone. In FY07, many construction projects will be in the process, but not completed. However, because of the RAC in FY06, we anticipate this will reflect a decrease next year. Measured annually from the dollar amount of permanent improvements to leaseholds as requested on airport building permits.

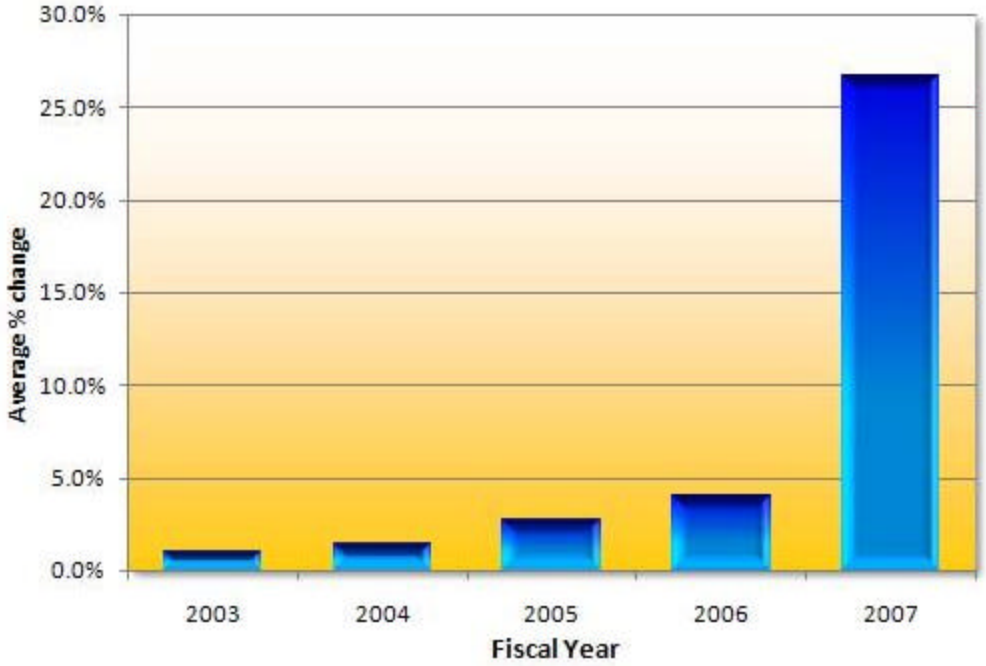
Target #2: Increase international cargo aircraft landed weight by 1% per year.
Measure #2: International cargo aircraft landed weight as compared to the prior year.



Analysis of results and challenges: Marketing continues to actively pursue additional cargo traffic through the Ted Stevens Anchorage International Airport (ANC). A large international/domestic cargo hub began operation in the 1st quarter of 2005 using the new cargo transfer legislation. Future cargo activity will be mainly driven by the growth in the China air cargo market. All U.S. cargo carriers operating on this route have designated Anchorage as their U.S. departure point. We do, however, continue to face challenges from other airports attempting to draw our cargo traffic to other hubs by offering free landing fees and other incentives. Landed cargo weight is an industry benchmark for ranking airports. Since ANC is heavily dependent on cargo traffic for revenue generation, tracking this item is appropriate.

E1: Strategy - Improve marketing efforts for private sector development.

Target #1: Increase private sector contracts by 2% per year.
Measure #1: Percent of change in private sector contracts per year.



Analysis of results and challenges: Measured annually by the number of active contracts included in the Leasing/Property subsystem. The ANC airport is a self-sustaining facility and in order to remain so, revenues need to increase by attracting new carriers, tenants, or other business activities at the airport. The airport markets space to potential customers as available (advertising in magazines, sending notices to potential customer lists). Growth, such as the new parking garage for rental car agencies, is making it more attractive for these customers to bring their business to the airport.
FY05 – 303 contracts
FY06 - 315 contracts (an increase of 12)
FY07 – 399 contracts (an increase of 84)

Fairbanks International Airport Results Delivery Unit

Contribution to Department's Mission

Provide for the movement of people and goods at Fairbanks International Airport.

Core Services

- Administration including airport planning, marketing, operating and capital budget development, leasing, finance, engineering, environmental and Occupational Safety and Health Administration (OSHA) management, hazardous materials handling and disposal, and information technology support.
- Building maintenance and repair services including the airport terminal and other state owned or managed buildings, exterior electrical systems for airfield lighting, aircraft and vehicle parking areas.
- Maintenance and repair of paved and unpaved airside and landside surfaces, signage, security fencing/gates, state-owned heavy equipment; snow removal and ice control, vegetation and dust control.
- Airport operations duties including daily inspections and surface friction reports, Notices to Airmen (NOTAM), 24 hour central dispatch radio communications, maintenance of the Airport's Federal Aviation Administration (FAA) Certification Manual and Safety Manual, airfield safety training, and assistance to tenants and construction personnel on the airfield.
- Aircraft rescue, fire fighting, and required federal/state airport security response capability.

End Result	Strategies to Achieve End Result
A: Ensure safe operations on the airport. Target #1: Reduce occupational injury and illness incidence rate to less than the national rate for airports. Measure #1: Fairbanks International Airport (FAI) occupational injury and illness incidence rate compared to the national incidence rate for airports. Target #2: Reduce employee lost time to zero. Measure #2: Number of hours of employee lost time due to work-related injuries. Target #3: Reduce public property damage and injuries to zero. Measure #3: Number of third party property damage and injury claims paid annually	**A1: Maximize the safety and security of the traveling public.** Target #1: Zero major discrepancies on annual Part 139 inspections. Measure #1: Number of Part 139 inspection discrepancies. Target #2: Zero environmental Notices of Violation (NOVs) or Non-Compliance letters (NCL's. Measure #2: Number of Notice of Violations or Non-compliance Letters from the Environmental Protection Agency (EPA), Alaska Department of Environmental Conservation (ADEC), and Corps of Engineers (COE). Target #3: Maintain adequate runway conditions for safe operations. Measure #3: Number of hours per year the airport is closed due to acts of nature (snow, wind, earthquake, etc) that impact aviation operations compared to a three year rolling average. Target #4: Reduce the number of airfield deviations and incursions per year. Measure #4: Number of deviations and incursions compared to a three year rolling average. Target #5: Zero law enforcement officer response times that do not meet or exceed Code of Federal Regulation guidelines.

	Measure #5: Number of occurrences law enforcement officer response time does not meet federal guidelines. Target #6: Ensure adequate emergency medical response on the Airport. Measure #6: Number of occurrences an Emergency Trauma Technician (ETT) is not available during operational times. Target #7: Ensure fire response time meets or exceeds CFR Part 139 federal guidelines. Measure #7: Number of occurrences fire response does not meet federal guidelines.
End Result	**Strategies to Achieve End Result**
B: Decrease revenue gap Target #1: Decrease gap between revenues and expenditures. Measure #1: Expenditures in excess of revenues, net of depreciation compared to prior year.	**B1: Increase revenue** Target #1: Increase concession and permit revenues by 5% per year Measure #1: Percent change in concession revenue per year. Target #2: Increase land lease revenues by 2% per year. Measure #2: Percent change in land lease revenues per year. Target #3: Increase private investment by 2% per year Measure #3: Amount of private investments per year compared to a 5-year adjusted rolling average. **B2: Maintain or Decrease Costs** Target #1: Maintain or decrease operational cost per enplaned passenger per year. Measure #1: Operational cost per enplaned passenger per year compared to a 3 year rolling average.
End Result	**Strategies to Achieve End Result**
C: Enhance customer satisfaction Target #1: Zero customer complaints associated with facility cleanliness, keeping, and stocking. Measure #1: Number of customer complaints logged on Fairbanks International Airport customer hotline.	**C1: Timely response to all maintenance requests** Target #1: Respond to all public maintenance requests within 3 business days. Measure #1: Average number of days taken to respond to maintenance requests. **C2: Ensure business friendly leasing and permit process** Target #1: 90% customer service satisfaction rating of potential/actual applicants seeking land leases, building permits, and supplements. Measure #1: Percent of potential/actual applicants who rate the leasing process 4 or higher on a scale of 1-5.

Major Activities to Advance Strategies

- Comply with FAA safety directives including snow/ice removal
- Maintain airfield lighting and signage in 100% working order
- Maintain clear and safe access around the terminal
- Aggressively promote FAI in national and international passenger and cargo carrier markets
- Audit concession revenues and monitor and collect any overdue payments
- Utilize state contract awards and "buy in bulk" whenever possible
- Automated work order system tracks timely response to customer requests and scheduled maintenance
- Review Leasing customer satisfaction survey distributed to business partners

FY2009 Resources Allocated to Achieve Results

FY2009 Results Delivery Unit Budget: $14,071,100

Personnel:	
Full time	105
Part time	7
Total	112

Performance Measure Detail

A: Result - Ensure safe operations on the airport.

Target #1: Reduce occupational injury and illness incidence rate to less than the national rate for airports.
Measure #1: Fairbanks International Airport (FAI) occupational injury and illness incidence rate compared to the national incidence rate for airports.

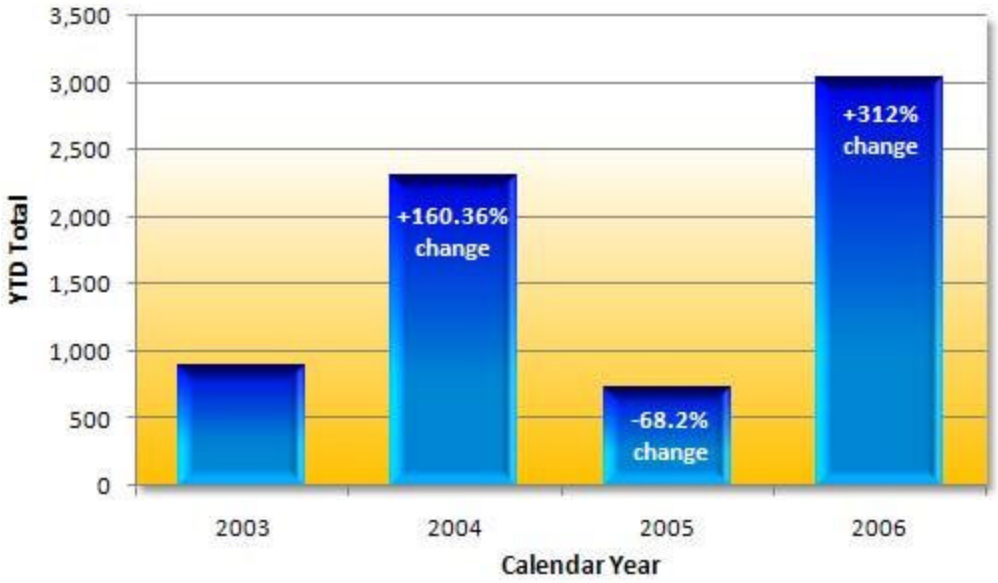
FAI annual incidence rate

Year	YTD	Nat'l Rate
2003	7.93	11.8
2004	15.8	10.1
2005	6.4	9.4
2006	15.1	9.9

Analysis of results and challenges: Ensuring the safety of the airport's workforce helps keep it running year around – and protects the traveling public. To "stay safe" employee training is provided and a safety conscious attitude is encouraged when getting the job done. The success of this measure is reviewed annually by comparing the FAI Incidence Rate (the number of injuries and illnesses per 100 full time equivalent (FTE) workers) to the national incidence rate for airports of similar size, using a standard U.S. Department of Labor formula and the FAI injury log.

Employee lost hours due to workplace injury: 3,032 in calendar year 2006.

Target #2: Reduce employee lost time to zero.
Measure #2: Number of hours of employee lost time due to work-related injuries.



Analysis of results and challenges: Employee lost time, similar to an incidence rate, is another measurement of how safe the work environment is and how well the airport is doing to prevent injuries. FAI tracks employee lost time by utilizing the OSHA 300 logs (# days away from work x 8 hrs.). Efforts are made to keep this number at a minimum by providing employee training and stressing a safety conscious attitude when getting the job done. The effectiveness of the training is analyzed in part by comparing the current year to past years, further, focusing in on challenging areas, namely repeat incidences or incidences that result in many lost hours, i.e., a broken arm. In essence, no one tool is good enough to measure employee safety – so FAI uses two. Calendar year.

Target #3: Reduce public property damage and injuries to zero.
Measure #3: Number of third party property damage and injury claims paid annually

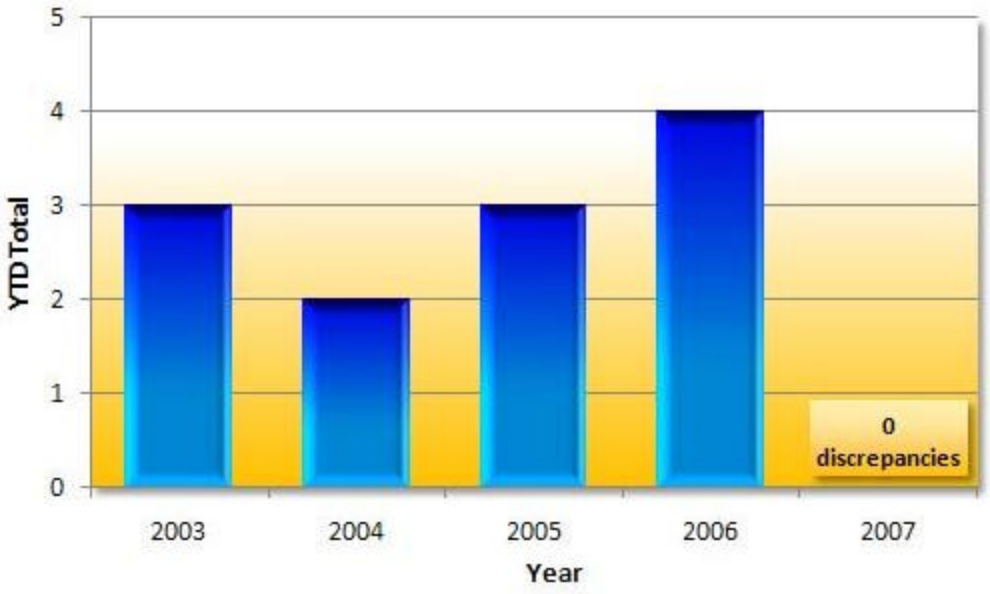
Annual Property Damage and Injury Claims

Year	YTD
2003	2
2004	0
2005	3
2006	2

Analysis of results and challenges: One of the best ways to measure the level of maintenance and risk prevention at the airport is to track the number of settled property and injury claims against FAI. Claims are measured annually from data provided by Department of Administration, Risk Management. Reduction of claims may be possible through improved performance of airport operations and maintenance of FAI property. Measured by fiscal year.

A1: Strategy - Maximize the safety and security of the traveling public.

Target #1: Zero major discrepancies on annual Part 139 inspections.
Measure #1: Number of Part 139 inspection discrepancies.



Analysis of results and challenges: As a federally assisted airport, Fairbanks International Airport must comply with all FAA operational and airfield requirements. Compliance is awarded based on an annual certification inspection. Typically, there are numerous minor discrepancies discovered during certification inspections that do not affect the passing results. However, with extraordinary efforts, the airport can keep these discrepancies to a very low level with no major discrepancies. Measured annually by calendar year.

Target #2: Zero environmental Notices of Violation (NOVs) or Non-Compliance letters (NCL's.
Measure #2: Number of Notice of Violations or Non-compliance Letters from the Environmental Protection Agency (EPA), Alaska Department of Environmental Conservation (ADEC), and Corps of Engineers (COE).

Number of Notice of Violations/Non-compliance letters

Year	YTD
2003	0
2004	0
2005	0
2006	1

Analysis of results and challenges: Environmental stewardship is important – and like other business entities – FAI must comply with all environmental regulations related to activities, property and facilities managed by the airport. Preventative environmental programs are implemented in an effort to reduce or eliminate environmental violations. This measurement does not include actions issued to tenants or other airport users. Calendar year.

Target #3: Maintain adequate runway conditions for safe operations.
Measure #3: Number of hours per year the airport is closed due to acts of nature (snow, wind, earthquake, etc) that impact aviation operations compared to a three year rolling average.

Number of hours per year runway is closed that impact aviation operations

Year	YTD	3yr Average
2003	2	2
2004	1	1
2005	0	1
2006	1	1
2007	0	0

Reporting is on a calendar year basis.

Analysis of results and challenges: Fairbanks International Airport uses flex staffing and preventative maintenance in challenging weather conditions to ensure the airways and air surfaces remain open for business. Success in airfield maintenance is measured by the amount of time the airfield is closed as recorded on Notice to Airmen (NOTAMs) issued by permitted agencies. The times "counted" for the measurement are those times in which airfield closures impact scheduled operations. Closures normally last for 10 minutes or less. Calendar year.

Target #4: Reduce the number of airfield deviations and incursions per year.
Measure #4: Number of deviations and incursions compared to a three year rolling average.

Number of deviations and incursions

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD	3yr Average
2003	0	0	2	2	4	4
2004	0	1	1	1	3	3.5
2005	0	1	0	0	1	2.6
2006	0	0	3	0	3	2.75
2007	0	1	5			

Analysis of results and challenges: Deviations and Incursions are terms used to describe a pedestrian or vehicle entering radio-controlled surfaces at an airport without permission; i.e., not receiving clearance from the air traffic control tower to cross a taxiway or runway. Unlike airports that have multiple main runways that offer choices to landing or departing aircraft, FAI's challenge is to perform runway maintenance and still have it available for aviation operations. To accomplish this, FAI is vigilant about training all badged personnel in proper radio procedures to ensure deviations and incursions are avoided, further, if they do occur, to retrain or remove non-compliant users from the airfield. This is measured by the number of deviations and incursions recorded by permitting agencies and reported to FAI. Calendar year.

Target #5: Zero law enforcement officer response times that do not meet or exceed Code of Federal Regulation guidelines.
Measure #5: Number of occurrences law enforcement officer response time does not meet federal guidelines.

Number of occurrences where the response was not within federal guidelines

Year	YTD
2003	0
2004	0
2005	0
2005	0

Reporting is on a calendar year basis.

Analysis of results and challenges: In compliance with federal law and in an effort to provide a safe facility, FAI must ensure that an accredited police officer is able to respond to the passenger screening point within 10 minutes. To accomplish this, FAI has at least one accredited police officer on the premises at all times. Airport police officers respond to hundreds of requests per year and by doing so, ensure a safe traveling

environment. Calendar year.

Target #6: Ensure adequate emergency medical response on the Airport.
Measure #6: Number of occurrences an Emergency Trauma Technician (ETT) is not available during operational times.

# of occurrences

Year	YTD
2003	0
2004	0
2005	0
2006	0

Reporting is on a calendar year basis.

Analysis of results and challenges: Federal regulations require at least one full-time emergency trauma technician (ETT) be available during all operational times. To increase staff efficiency and ensure safe operations, FAI dual trains their police and fire officers to also provide first responder medical services until an ambulance can arrive. Last year FAI responded to over 70 medical requests on the premises. This is measured by recording the number of occurrences in which a fully trained ETT is not available to respond to emergency calls for assistance on the Airport. Calendar year.

Target #7: Ensure fire response time meets or exceeds CFR Part 139 federal guidelines.
Measure #7: Number of occurrences fire response does not meet federal guidelines.

# of occurrences

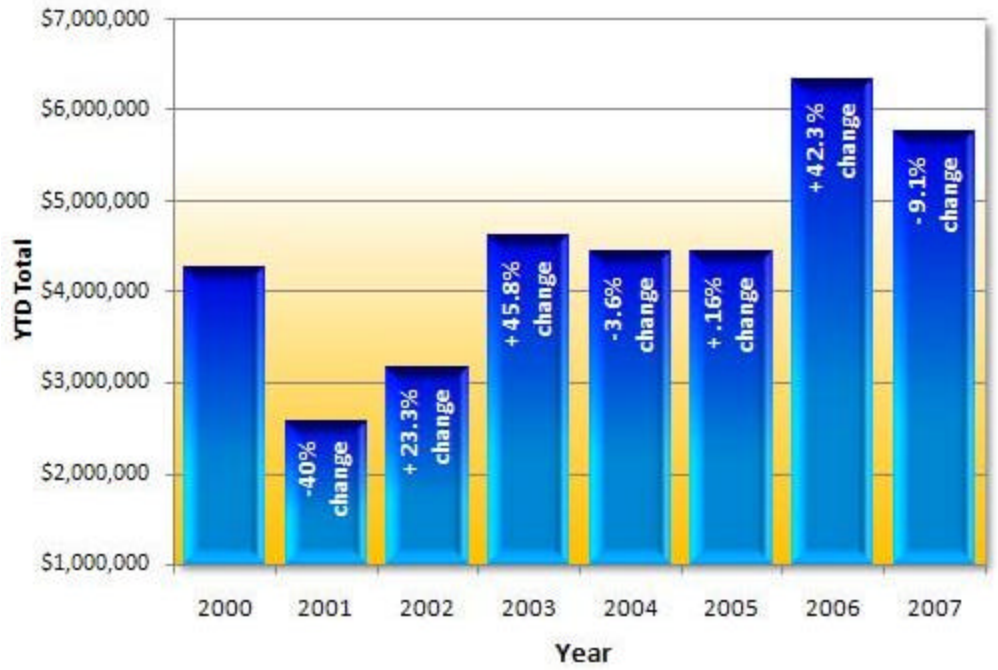
Year	YTD
2003	0
2004	0
2005	0
2006	0

Reporting is on a calendar year basis.

Analysis of results and challenges: Federal regulations require a training response time of three minutes or less to the centerline of the runway for aircraft rescue fire fighting. FAI accomplishes this by ensuring all fire trucks are in excellent working condition and by dual training the police and fire officers so in the event of an emergency, all officers can respond. This is measured by recording the number of occurrences in which fire response time, training or otherwise, does not meet federal regulations. Calendar year.

B: Result - Decrease revenue gap

Target #1: Decrease gap between revenues and expenditures.
Measure #1: Expenditures in excess of revenues, net of depreciation compared to prior year.

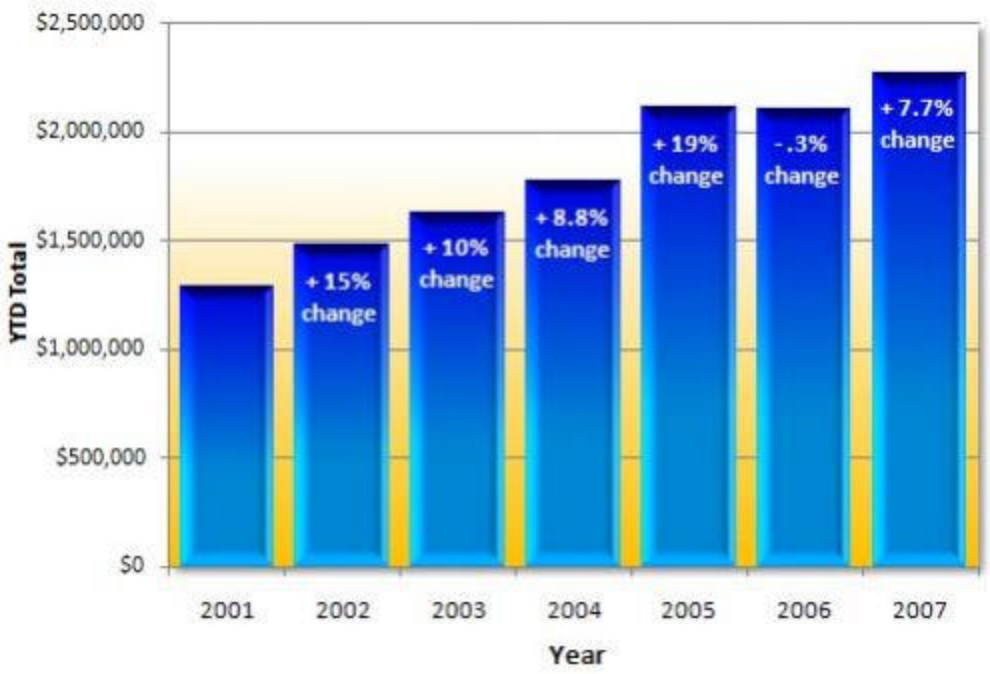


Analysis of results and challenges: FAI has embarked on an aggressive program to reduce the airport's gap between revenues and expenditures without sacrificing the most important result: safe operations. The approach is simple: increase revenue and maintain or decrease costs. The strategies listed below indicate the approach that will be taken. Measured annually from Alaska International Airport System audited financial statements. The International Airport System (Anchorage and Fairbanks) is a self-sustaining facility. The Fairbanks International Airport serves as the primary alternate for Anchorage International Airport and incurs operational costs in excess of revenues to sustain alternate viability.

The increase in FY06 is attributed to increased fixed expenses such as fuel/power and reduced revenue due to the loss of cargo flights to Central Asian airports because of a four hour block time savings one way. The subsequent reduction in FY07 reflects diminished expenditures in excess of diminished revenues.

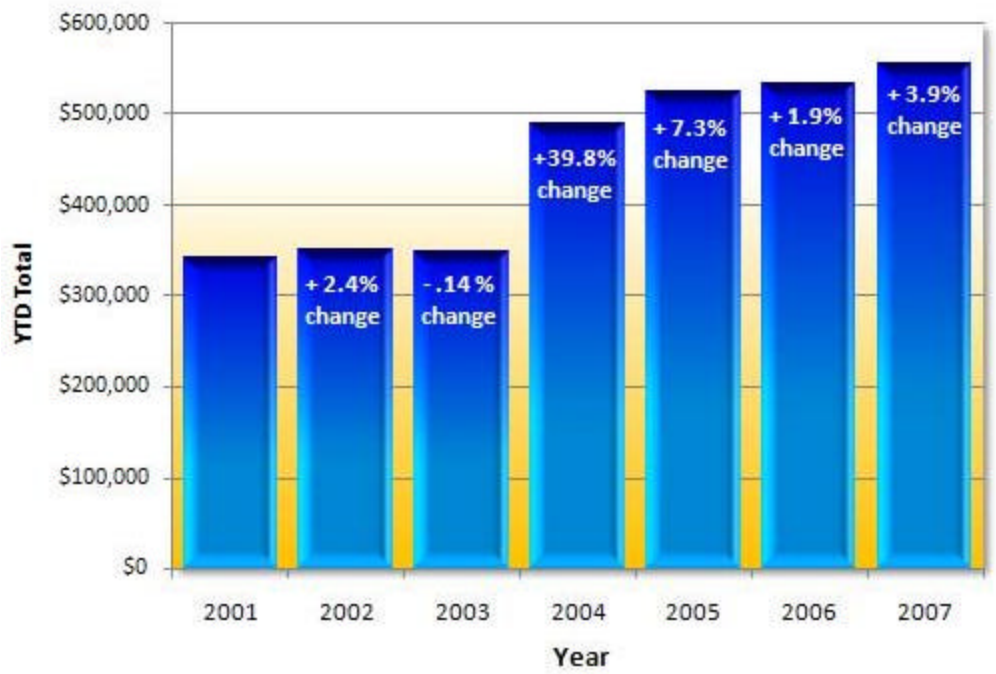
B1: Strategy - Increase revenue

Target #1: Increase concession and permit revenues by 5% per year
Measure #1: Percent change in concession revenue per year.



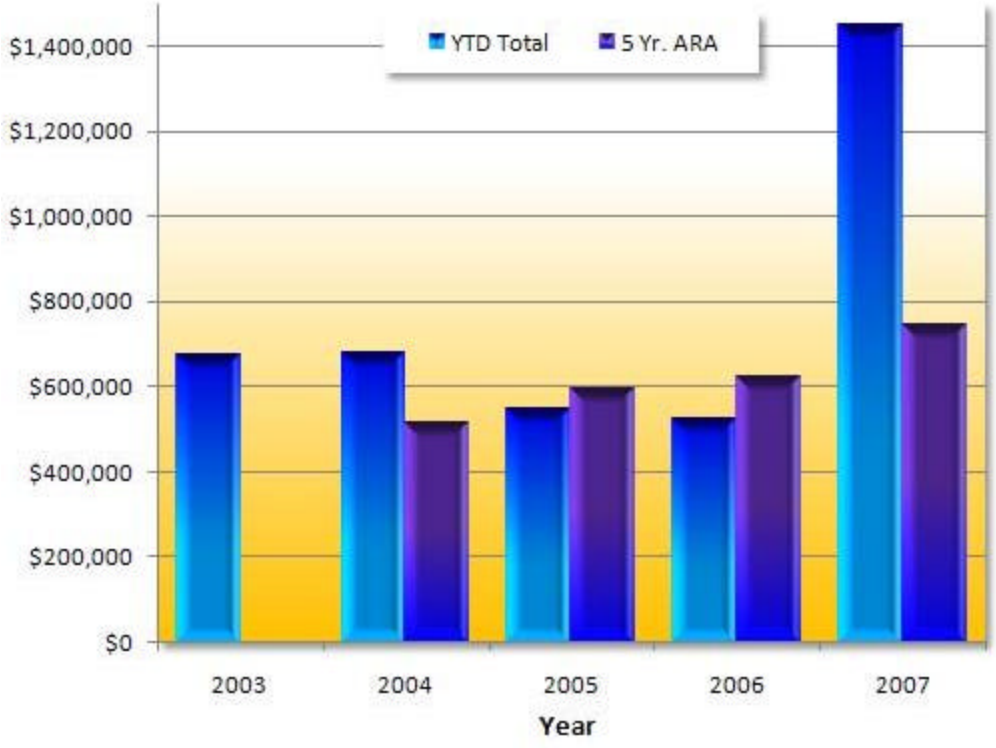
Analysis of results and challenges: Fairbanks International Airport (FAI) is reviewing all concession contracts to ensure they are current and based on competitive terms comparable to airports of similar size. Infrastructure improvements are being investigated to determine if they could lead to a better business environment – and more concession sales. Measured by fiscal year from FAI concession and vehicle parking income as reflected in the AIAS audited financial statements.

Target #2: Increase land lease revenues by 2% per year.
Measure #2: Percent change in land lease revenues per year.



Analysis of results and challenges: FAI continues to aggressively market vacant land and provide top-notch customer service. Rental rates at both international airports were increased in FY04 to better reflect competitive land values. Revenues include land rent as shown in fiscal year-end AIAS audited financial statements.

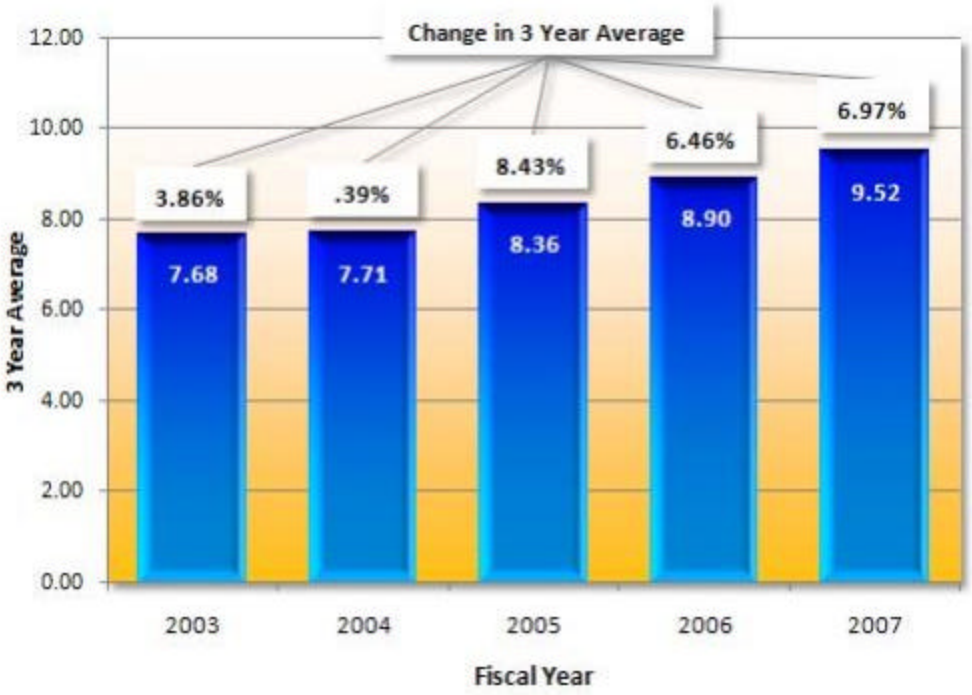
Target #3: Increase private investment by 2% per year
Measure #3: Amount of private investments per year compared to a 5-year adjusted rolling average.



Analysis of results and challenges: Measured by fiscal year from the dollar amount of permanent leasehold improvements as requested on airport building permits. In FY06 three hangar facilities were constructed. In FY07 five more hangars were built including one for approximately $500,000.

B2: Strategy - Maintain or Decrease Costs

Target #1: Maintain or decrease operational cost per enplaned passenger per year.
Measure #1: Operational cost per enplaned passenger per year compared to a 3 year rolling average.



Analysis of results and challenges: This number is generated by the Alaska International Airport System Controller's (AIAS) office and represents the average cost per enplanement (CPE) for all airlines serving the Ted Stevens Anchorage and Fairbanks International airports. The airports and airlines use the CPE benchmark to evaluate annual operating costs by passenger, a widely-used measurement in the aviation sector. The AIAS methodology is based on that used by its bond issue feasibility consultants. AIAS passenger airline operating revenues are divided by total enplanements for the period to arrive at CPE.

Fairbanks International Airport uses this benchmark to determine success and identify when costs need to be kept down.

Prior period values have been restated to properly correlate with the measure.

C: Result - Enhance customer satisfaction

Target #1: Zero customer complaints associated with facility cleanliness, keeping, and stocking.
Measure #1: Number of customer complaints logged on Fairbanks International Airport customer hotline.

Customer complaints

Year	YTD
2003	0
2004	0
2005	0
2006	0

Analysis of results and challenges: Fairbanks International Airport (FAI) has placed customer placards and

notices in every restroom advising passengers to call a hotline should they have concern over the cleanliness, keeping, and stocking of the facility. The calls are logged to monitor the nature of the call and response time. This is measured by calendar year. FAI's policy is "extreme clean" – an attitude that employees take to work every day. In fact, last year FAI was used as a national example for how to maintain carpets – some carpet is in use that's over 25 years old!

C1: Strategy - Timely response to all maintenance requests

Target #1: Respond to all public maintenance requests within 3 business days.
Measure #1: Average number of days taken to respond to maintenance requests.

Average time in days taken to respond to maintenance requests

Year	YTD
2004	0
2005	0
2006	0

Analysis of results and challenges: Measured quarterly and based on initial response time, i.e., call back, to customer queries and requests. FAI categorizes maintenance requests in order of priority starting with public safety, operational impact not safety related, and long-term predictable maintenance. The category of maintenance requests will dictate the response time, ranging from immediate to long-term, however, each request will be logged and responded to at least verbally within 3 business days.

C2: Strategy - Ensure business friendly leasing and permit process

Target #1: 90% customer service satisfaction rating of potential/actual applicants seeking land leases, building permits, and supplements.
Measure #1: Percent of potential/actual applicants who rate the leasing process 4 or higher on a scale of 1-5.

Percentage of satisfied applicants

Year	YTD
2004	100%
2005	100%
2006	100%

Analysis of results and challenges: Customer satisfaction can assist the airport in achieving its revenue generating targets. It is important that potential and actual applicants seeking land leases, building permits and supplements find the leasing and permit process open to competition, customer friendly, responsive, and oriented to problem solving. An exit survey is used that contains 5 to 10 questions. It has a rating scale of 1 to 5 that provides feedback to management regarding how well customers are served and possible areas of improvement. This measure is shown on a calendar year basis.

Marine Highway System Results Delivery Unit

Contribution to Department's Mission

Provide safe, secure, reliable and efficient transportation of people, goods and vehicles through the Alaska Marine Highway System by developing and implementing sound policy and procedures for operations, and staffing with well trained professionals who are sensitive to the needs of our customers.

Core Services

The Alaska Marine Highway System (AMHS) operates 11 roll-on/roll-off passenger ships during the summer season and as few as 4 ships during the fall, winter and spring season. Weeks of operation are tailored to meet the needs of the traveling public and communities while maximizing revenue and minimizing costs.

AMHS constantly maintains, repairs, refurbishes, and upgrades its vessels and terminal facilities. Hard use in a marine environment and the stringent regulations (state, federal, and international) governing passenger-carrying marine vessels determine the need for these activities.

Operations services provided:

- Transport of people, goods and vehicles to and from 32 ports along 3,500 route miles from Bellingham, Washington, through Southeast Alaska, across the Gulf of Alaska to Prince William Sound and South Central Alaska, to Kodiak Island, the Alaskan Peninsula and out the Aleutian Island chain to Unalaska.
- 16 state-owned terminals and their staff provide shelter and book passage for an average of over 300,000 passengers and stage over 90,000 vehicles per year aboard AMHS vessels.
- 776 shipboard employees crew AMHS vessels based upon U.S. Coast Guard (USCG) requirements and 164 shore side employees including terminal operators provide support to the vessels and crew.
- Implement a standardized International Safety Management (ISM) certification safety program to maintain proficiency in the AMHS fleet and meet International Maritime Organization (IMO) requirements.
- Provide quality service to every customer.
- Complete required annual overhaul, maintenance and inspection requirements in conjunction with USCG, and classification entities.
- Implement Maritime Transportation Security Act (MTSA) guidelines, this includes staff training and infrastructure changes. MTSA is a federal security agency comparable to Transportation Security Administration (TSA), applicable to maritime transportation.
- Certify all shipboard employees under the Standards for Training, Certification, and Watch-keeping for Seafarers (STCW) program.
- Certify Fast Vehicle Ferry (FVF) crews under the International High Speed Code requirements.

The maintenance, repair, refurbishment, and upgrading services provided are to:

- Conduct the surveys, assessments, detailed preliminary engineering, cost estimating, long-range planning, and design for federally funded vessel modernization projects included in the departments needs list and ultimately the State Transportation Improvement Program.
- Initiate, administer, and provide on-site shipyard oversight of contracts for vessel modernization projects.

- Plan and provide preventive maintenance and repair of 16 terminal facilities.
- Purchase support services and goods for the necessary annual overhaul of each vessel.

End Result	Strategies to Achieve End Result
A: Improve mobility of people and goods. Target #1: Meet or exceed 95% satisfied customers with AMHS reliability, convenience and efficiency. Measure #1: Percent satisfied AMHS customers based upon user surveys.	**A1: Provide reliable, convenient and efficient service on the AMHS.** Target #1: Meet or exceed industry standard for on-time departures. Measure #1: Percent of on-time departures compared to total departures. Target #2: Increase the frequency of port calls by 5% from the prior year. Measure #2: Percent change in number of port calls as compared to prior year.
End Result	**Strategies to Achieve End Result**
B: Improve AMHS performance. Target #1: Increase the ratio of revenue per rider mile to the cost per rider mile by 2%. Measure #1: Percent change in revenue per rider mile to cost per rider mile.	**B1: Increase AMHS revenues.** Target #1: Increase onboard sales per passenger by 5% over the previous 3-year average. Measure #1: Onboard sales per passenger compared to average of previous 3 years. Target #2: Increase passenger capacity utilization by 3%. Measure #2: Percent change in passenger capacity utilization compared to a 3-year average.

Major Activities to Advance Strategies

- Design, procure and employ lighter, faster vessels
- Implement a ticket scanning system
- Develop separate and secure staging areas of passenger loading
- Optimize schedules
- Lease space to private providers
- Utilize lease vessels when doing so reduces costs
- Provide end-of-road terminal and shuttle service
- Develop alternative vessels
- Develop terminal prototypes for construction
- Ensure compliance with Shephard Act
- Provide access to shore excursion businesses
- Review organizational structure
- Improve fuel efficiency through use of new technology
- Develop vessels that take advantage of state-of-the-art technology
- Develop lay-up berths and facilities
- Analyze AMHS activities to identify cost savings

FY2009 Resources Allocated to Achieve Results

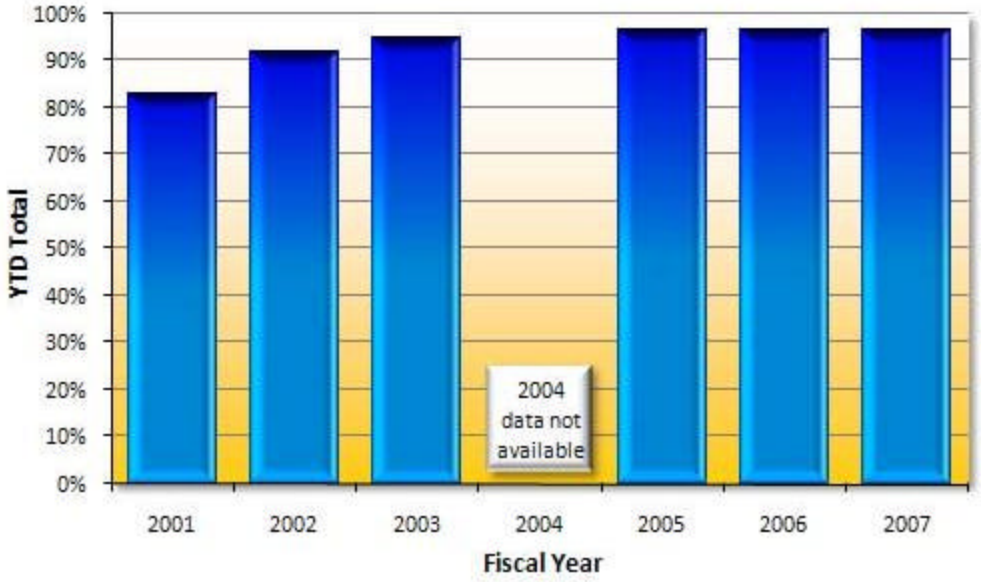
FY2009 Results Delivery Unit Budget: $120,686,000

Personnel:	
Full time	843
Part time	93
Total	936

Performance Measure Detail

A: Result - Improve mobility of people and goods.

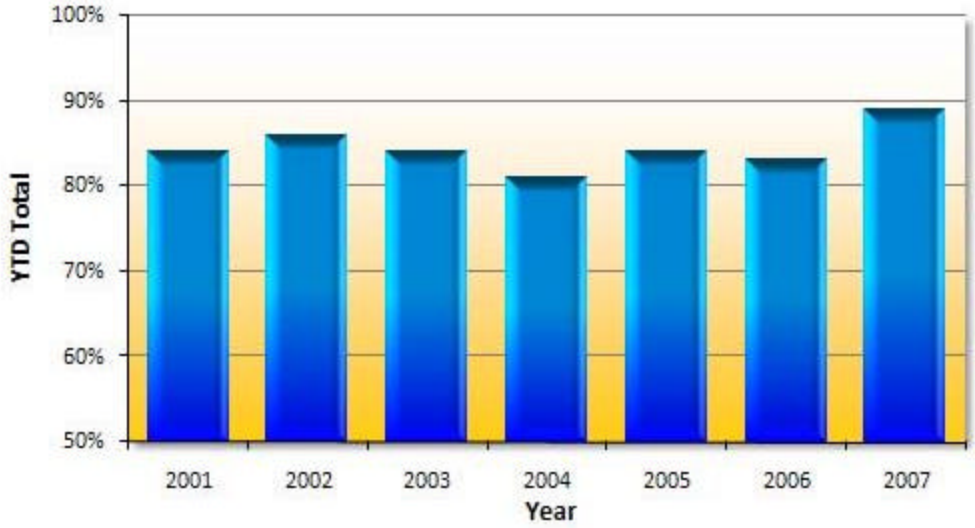
Target #1: Meet or exceed 95% satisfied customers with AMHS reliability, convenience and efficiency.
Measure #1: Percent satisfied AMHS customers based upon user surveys.



Analysis of results and challenges: Independent surveys are conducted onboard AMHS vessels at various points throughout the summer season. Passengers are asked to rate a variety of aspects relative to their AMHS experience. The survey data is summarized and the results are presented to AMHS management.

A1: Strategy - Provide reliable, convenient and efficient service on the AMHS.

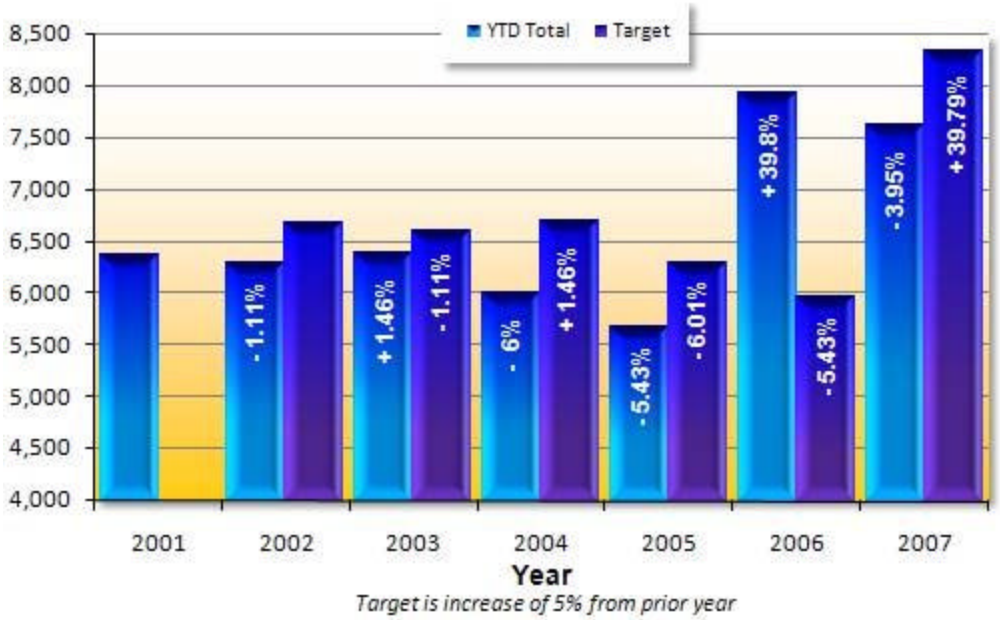
Target #1: Meet or exceed industry standard for on-time departures.
Measure #1: Percent of on-time departures compared to total departures.



Analysis of results and challenges: The target is for the Alaska Marine Highway System (AMHS) to consistently exceed the on-time airline departure benchmark of 75.1%. An on-time ferry departure is within 30 minutes of the scheduled departure time.

Numerous events can cause delays in ferry departure times, especially weather and tides. An additional relevant factor is the time it takes to load/unload large and/or low slung vehicles (RV's, trucks w/trailers, heavy equipment) during busy periods. Most of these factors are out of the control of AMHS. Nevertheless, making schedule modifications in the event of continual and systematic delays are within the Department's control.

Target #2: Increase the frequency of port calls by 5% from the prior year.
Measure #2: Percent change in number of port calls as compared to prior year.



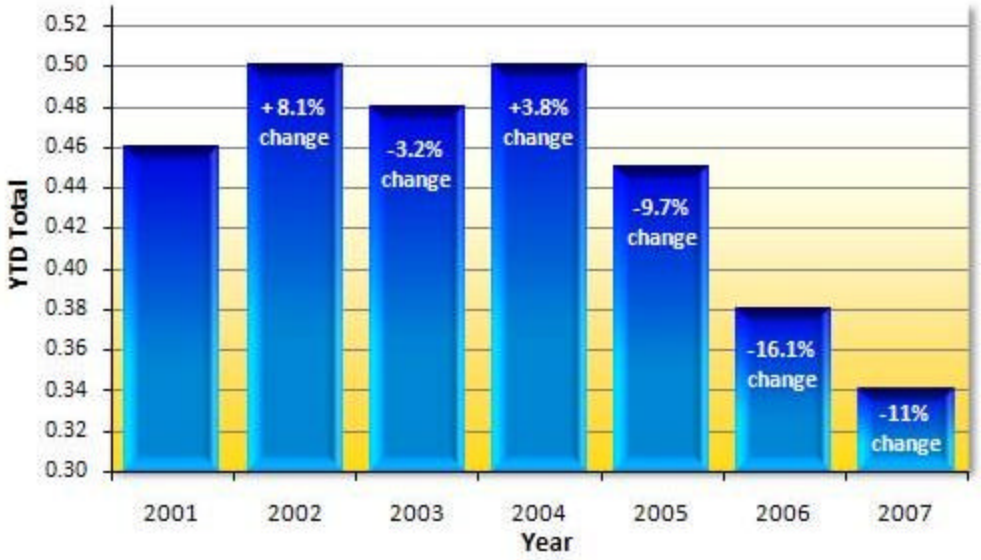
Target is increase of 5% from prior year

Analysis of results and challenges: This measure reflects the service level provided to communities dependent upon the Marine Highway. Although fiscal year 2007 showed an overall increase in total operating weeks, a slight decrease was noted in the port calls to the communities due to the extended layup and

overhaul periods of the M/V's Columbia, Malaspina, Taku and the FVF Chenega that serve these communities.

B: Result - Improve AMHS performance.

Target #1: Increase the ratio of revenue per rider mile to the cost per rider mile by 2%.
Measure #1: Percent change in revenue per rider mile to cost per rider mile.



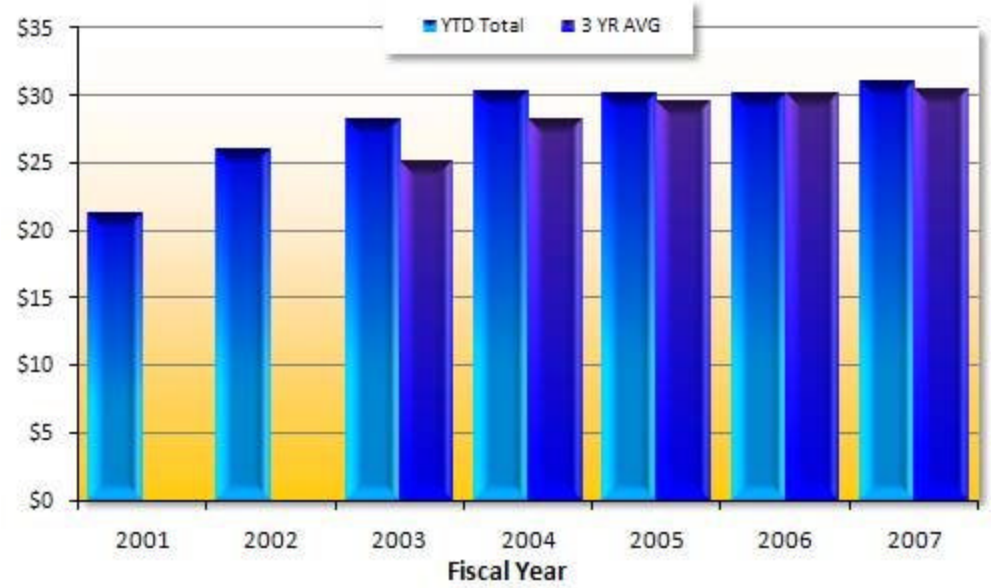
Analysis of results and challenges: Fiscal year 2007 saw 3 major areas of service cost increases which brought the referenced ratio into a negative trend from the previous year. Vessel employees received a 6% increase from the previous year. Fuel prices continued up an additional 6% over the previous year and the PERS rate increased 30% over the previous year.

AMHS continued to see increased ridership as passenger and vehicle count were up 6% and 9% respectively but earned revenue was behind last years pace primarily from a mid season breakdown of the Columbia which required extended yard time for repairs. AMHS put in place a 3.2% tariff increase commencing with FY 2008.

AMHS is in the process of upgrading the fleet with the addition of 2 new shuttle ferries. These 2 new boats named the South East Shuttle and the Gateway Shuttle are being designed to provide day boat service to North Lynn Canal and between Ketchikan and Prince Rupert respectively. These vessels are being designed to be very economical and will provide for more efficient scheduling in high volume areas. In turn these new vessels will allow for increased efficiencies through greater asset utilization.

B1: Strategy - Increase AMHS revenues.

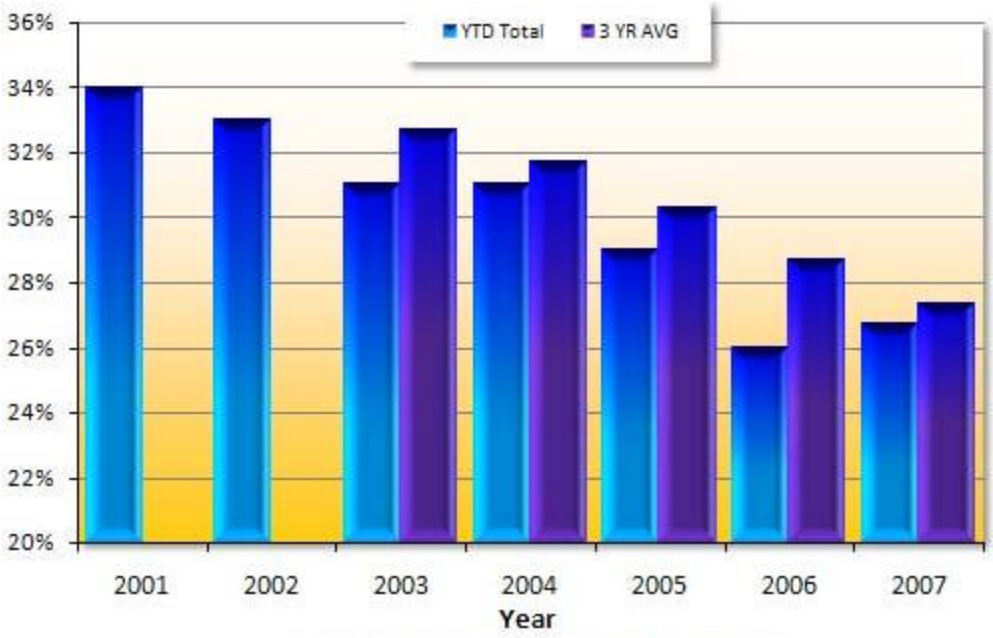
Target #1: Increase onboard sales per passenger by 5% over the previous 3-year average.
Measure #1: Onboard sales per passenger compared to average of previous 3 years.



Analysis of results and challenges: AMHS continues to look at increasing ship board generated revenues. At the beginning of fiscal year 08 a 3.2% increase was placed on staterooms to reflect the market demand of these ship board services. In the previous fiscal year sales revenue increases were seen in all the passenger service area revenue streams as compared to the previous year.

In 2007 AMHS brought the M/V Malaspina online with 24/7 ship board wireless internet facilities for the traveling public. The Tustumena was previously outfitted. It is the intention of AMHS to add wireless internet to the Aurora and Columbia in FY 08.

Target #2: Increase passenger capacity utilization by 3%.
Measure #2: Percent change in passenger capacity utilization compared to a 3-year average.



Target is 3% increase compared to 3-year average

Analysis of results and challenges: The analysis converts capacity data into passenger miles by taking the sum of each trip's passenger capacity and multiplying it by the distance the ship travels. This produces the capacity number.

Next, the analysis considers the actual sum of passengers that were on board and multiplies that number by the distance they traveled. This produces the utilized number. Finally, the utilized number is divided by the capacity number to produce the utilization percentage.

With capacity utilization on a down trend the system has reached price resistance. New promotional specials and round trip discounts are being implemented in attempt to gain back rider-ship and reverse the capacity utilization trends.